

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

October 1, 1973

MEMORANDUM FOR BRENT SCOWCROFT

FROM: A. W. Marshall *AWM*

SUBJECT: Proposed Study of Improved Foreign  
Agricultural Forecasting

Attached are preliminary terms of reference for the study. You will recall you wanted NSC to chair the study, and asked for a brief on what it was going to do.

ON-FILE DEPT. AGRICULTURE  
RELEASE INSTRUCTIONS APPLY

NASA review completed pages 6-12

MORI/CDF C05142368  
Pages 6-12

NSC review completed.

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NATIONAL SECURITY COUNCIL

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September 28, 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Study of Foreign Agricultural  
Forecast Improvement

Present forecasts of foreign demand for U.S. agricultural products lack credibility and are not useful to policy-makers. It has, therefore, been proposed to study how better estimates of foreign agricultural production, foreign demand for agricultural products, and the state of the international market might be produced. Results are desired soon -- in a month to six weeks. The study should:

-- Describe how estimates are now produced, including the collection of data, analysis, and the preparation and dissemination of finished estimates.

-- Assess shortcomings in the present process; especially the degree to which they impose constraints on policy-makers or do not serve their needs.

-- Survey means to overcome the shortcomings, including new methods of data collection, more resources, improved analytical techniques, better organization to safeguard objectivity, establishing competing sources of estimates, etc.

-- Evaluate the potential improvements, their probable pay-offs, their likely cost, and any special sensitivities or problems.

-- Recommend future actions.

Because of the short time available and the bureaucratic and political sensitivities involved, the study is to be kept within the White House staff. NSC has been selected to chair the Working Group. Participation from CEA, CIEP, and OMB is desired. Inputs from all relevant departments and agencies are to be obtained wherever feasible. CIA,

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State and NASA have indicated a desire to assist. An input from Agriculture is desirable.

Tentative tasking for specific parts of the study:

- Description and evaluation of present estimates: CEA, CIEP.
- Survey of advanced/improved data collection: NSC.
- Survey of improved analytical techniques, organizations, etc.: CEA, CIEP, OMB.
- Cost/benefit analysis: OMB, NSC.

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TOP SECRET/CODEWORD

ACTION  
September 19, 1973

MEMORANDUM FOR BRENT SCOWCROFT

FROM: David Elliot *DE*  
A. W. Marshall *AWM*

SUBJECT: Ken Dam Request That NSC Chair Study of Improved  
Foreign Agricultural Forecasting

*NASA -  
paper ref to  
sy p effort  
parallel  
Agency effort.*

The attached letter from James Fletcher of NASA to George Shultz suggests the reorientation of ERTS-B as part of a national pilot program to make a global assessment of the production of selected food and feed grains. (See Tab A.) This suggestion will be turned down by Shultz and OMB, but Ken Dam wants to have an assessment made of how best to provide top decision-makers with improved forecasts of the foreign production of food and feed grains, and perhaps other agricultural products. The possible role of ERTS and classified reconnaissance programs is to be assessed as part of this proposed study.

Dam would like the NSC to chair the study. There may not be good alternatives, because:

- Dam has no staff of his own familiar with the existing intelligence efforts in this area.
- OMB has strong negative views on ERTS; the result of the study is predetermined in some respects.
- Other agencies have strong interests, e.g., Agriculture, and even CIA, where there are contrasting positions in separate parts of the Agency.

In our view HAK has a special interest in this study because of the sensitivity of foreign nations to the use of ERTS or other NASA programs for economic intelligence purposes. Indeed, the study itself should be conducted in a way that does not start rumors that ERTS is being considered or may already have been used for economic intelligence purposes.

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One of us (AWM) has had the CIA undertake an experimental effort to follow the Soviet wheat crop this year using overhead systems. Some ERTS input was used. An Agency assessment of this effort has been asked for and is due in mid-October. (See Tab B.)

This study is to have a 1 November deadline. Do you see any problems? Should we chair the study?

Yes AD

No \_\_\_\_\_

*Bill Gandy, Behavioral Science Chair*

TOP SECRET/CODEWORD



DRAFT

OFFICE OF THE ADMINISTRATOR

Honorable George P. Shultz  
Assistant to the President  
The White House  
Washington, D.C. 20500

NASA review completed pages 6-12

MORI/CDF C05142368 Pages  
6-12

Dear George:

The experimental results flowing from NASA's Earth Resources Technology Satellite (ERTS-1) are so encouraging that it becomes imperative that the broad policy on remote sensing from space and the importance of securing significant economic advantages for the U.S. now receive attention from the highest levels. ERTS-1 is proving the utility of synoptic, multispectral, repetitive coverage for the monitoring and analysis of local, regional, and national resources: crops, timber, water, geology, minerals, and wetlands, as well as important environmental factors such as pollution. The capabilities of space systems are global and can make a significant and unique contribution to the understanding and resolution of some of the critical economic issues that face the Administration.

A specific case in point: we are finding that information on world food crops can be repetitively acquired everywhere in the world by ERTS-type satellites. Space systems alone cannot, of course, provide all the data necessary for global crop inventories and predictions: on the other hand, a current and seasonal global assessment is virtually impossible without space systems. The economic and political values to the United States Government of knowing in advance the world's probable grain production may be hard to quantify or to demonstrate in advance — but there can be no doubt, that they would be considerable.

*[Handwritten signature and initials]*

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I am personally convinced that accurate global economic information is a basic requirement for sound U.S. policy decisions both in the international arena and here at home. Further, I am convinced that a satellite system, [operated by the U.S. Government] in the U.S. national interest, is a necessary element in meeting this requirement. And I feel that an open, civil program would be far preferable for this function than would be any other approach in that it provides the U.S. with the widest range of continuing options, nationally and internationally.

I am bringing these opportunities to your attention at this time because I feel there is a real need for early policy decisions that will secure for the U.S. the maximum political and economic benefits at home and abroad. Let me summarize some of the principle reasons and considerations:

- o Data from our experimental satellite have proven to be operationally useful to Federal agencies such as Interior, the Corps of Engineers, and AID, as well as to many of the States; significant commercial uses are also being developed.
- o In order to maintain the continuity of space data, we are taking steps to reschedule the ERTS-B satellite from 1976 to 1974, within available resources, at the expense of deferring important research objectives.
- o The international community has responded enthusiastically to the new technology and many nations have made or are preparing to make significant investments in ground facilities (purchased from the U.S.) to receive ERTS data on a regional basis.
- o At the same time, international political forces at play in the U.N. are beginning to focus on

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the remote sensing issues; there is growing pressure to define an international legal regime for remote sensing that could seek to constrain the right of free dissemination or even acquisition of such data.

- o Neither the NASA program nor that of any other agency currently contains any provision for a civil earth resources satellite -- either experimental or operational -- to follow ERTS-B; program continuity is essential to capitalize on the uniquely useful capabilities developed in the ERTS program.
- o Current experience indicates that experimental space systems provide data of direct operational utility and therefore no real or practical policy distinction need be drawn, as at present, between operational and experimental systems.
- o The leadtime required to build additional ERTS-class satellites, even duplicates of the current hardware, is on the order of 2 to 2½ years; if the nation is to have the benefits possible from a global resource monitoring system, the decision to proceed must be made soon.
- o The global character of earth resources data collection from space, and the national importance and international sensitivity of the information so acquired, together require, I am now convinced, that the operation and control of this function be a carefully managed Federal responsibility.
- o A national program of continuous global data acquisition, whether described as experimental or operational, provides a meaningful new instrument of foreign policy, in that the information has inherent value and access thereto can be controlled as desired.

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- o Management of such a national program for continuous global data acquisition appears best centralized in a "service" agency dedicated to providing the Federal and State "users", and through them the private sector, with the data they require for their line functions.

Taken together, these factors make it important to reach a national decision this fall; otherwise, we stand to lose or forego the valuable opportunities before us. Today, there is no single clear national focus or objective for the earth resources survey program, nor has the nation prepared to exploit these new capabilities which are already in being.

Regardless of whether the FY 1975 budget is able to support a full-scale investment in a new operational space system, the Administration can and should, in my view, (1) commit to a significant operational exploitation of the capabilities we already have in being or in development, and (2) establish a policy frame work and plan to assure the most advantageous exploitation of these and future capabilities when they can be made available. I therefore submit the following two recommendations:

1. NASA should start now to reorient its ERTS-B satellite to a 12- to 15-month national pilot program in 1974 and 1975 dedicated to the global assessment of the production of one or more selected food and feed grains. This program would build upon and expand the experience being developed in the regional wheat studies now underway by the Central Intelligence Agency and the Department of Agriculture and in current experimental work by NASA. It would represent a single organized attack on the problem of providing increasingly accurate assessments and forecasts of global productivity for use by the Administration in implementing both domestic and foreign economic and other policy objectives with the specific objective of providing actual assessments and forecasts for use in 1975.

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This is the earliest practicable time at which such global assessments and forecasts could be available. Utilization of ERTS-B as the new fall 1974 launch date and a decision to initiate the program this fall are essential to meet this objective.

The pilot program would require a very considerable interagency effort; it would utilize data from other satellite systems and all other available sources, as well as from ERTS-B and bring together analytical resources on a task team basis from both inside and outside the Government. If it is as successful as I expect it to be, the program would not only provide the U.S. Government with highly useful results in 1975, but would also establish -- practically, conclusively, and better than any theoretical studies -- the benefits and cost-effectiveness of civil space systems for global economic information and national resources management.

If you agree, I will accept the responsibility for developing and setting in motion a national plan for this pilot program in concert with the other agencies concerned. Some important aspects will necessarily be classified; however, based on the worldwide acceptance of ERTS and Skylab programs to date, I believe that an overall unclassified plan acceptable from both domestic and international policy standpoints can be developed. My current expectation is that such a pilot program, while requiring a very considerable effort, would not have a major impact on the overall budget planning of NASA and the other agencies involved.

2. As another necessary move to secure for the U.S. the longer range advantages of exploiting earth resources data from space, the Administration should establish as soon as possible a new national policy along the following lines:

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- a. Recognition that US-acquired earth resources survey data, and particularly the information derived therefrom, must be treated as national assets with appropriate domestic and international controls over their dissemination and use.
- b. Recognition of the need for program continuity in earth resources surveys from space to obtain these values in the national interest.
- c. Acceptance of the principle of centralized Federal management of earth resource survey systems that operate in direct response to the requirements of the many using line Departments and agencies.
- d. Continuation of the necessary separation, but with even closer coordination, of civil and military space programs.
- e. Continuation of the overt character and image of the civil space program.
- f. Dealing practically with international political concerns about remote sensing from space through negotiations based on the rights of the US to use global data in its own interest and to provide such earth resources survey services internationally as are appropriate.

If you agree, I will accept the responsibility for developing such a coordinated interagency policy statement, and for recommending an implementation plan as well, for review by you, Dr. Kissinger, and others as appropriate prior to submission to the President for approval. While I do not expect the new policy and plan to result in a major budgetary impact, it is important that the FY 1975 budget be consistent with them. I believe that we should arrive at the necessary

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administration decisions this fall, and plan on announcing and implementing them in January. The establishment and public announcement of the new policy at this time would be helpful to support the initiation of the pilot program in recommendation 1 above.

You will appreciate that as Administrator of NASA I feel very keenly my responsibilities to bring to the President's attention both the opportunities for advancing the national interests which grow out of NASA's research and development work in space and aeronautics and the policy implications which flow therefrom. In the earth resources survey field, extremely important values can be and are being achieved from even the first experimental systems. These values can be used for us, ignored, or used against us, depending on what we do or fail to do. I believe that we should move quickly to assure that the United States capitalizes on its advantages. Having invested so much in space, and having succeeded in creating such valuable tools, it would be unwise indeed not to do so.

I would be pleased to discuss these matters in greater detail with you at your convenience. I am sending copies of this letter to Henry Kissinger and Roy Ash for their information and any comments they may have at this stage.

Sincerely,

James C. Fletcher  
Administrator

cc: Dr. Kissinger  
Mr. Ash

September 14, 1973

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MEMORANDUM FOR DON STEININGER

FROM: A. W. Marshall

SUBJECT: Agricultural Intelligence and Project Upstreet

As you know, there is a lot of interest here these days in international trade in agricultural products. For this and other reasons I am undertaking an assessment of intelligence support in this area. In this connection it would be very helpful to me if you would provide me with a brief report on how project Upstreet turned out. I am very interested, for example, in the role the project played in formulating this year's estimates, and what future role it might play when it moves beyond the experimental stage. How do the new estimative methods interface with the more traditional ones? There are a number of other questions I am curious about as well, for example:

-- What was the relative contribution of ERTS and the classified systems?

-- What did we learn about processing and analysis of information?

-- What limitations exist in present systems and techniques? What are prospects for overcoming them?

I would also be very interested in your views about the continuing use of the expertise developed. Clearly, you would not be able to give an estimate independent of the state of the demand. But assuming, for example, one wished to keep tabs on the major producers of such key commodities as wheat, rice and sugar, what level of effort would be required? What would be the impact on ERTS and the classified systems? What results, in terms of accuracy and timeliness, could be expected?

I would be glad to discuss this with you, and to elaborate on any of the questions, if you wish. Considering the end of the growing season and time to wrap up, would mid-October be feasible for the report?

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BY: SP-5/DALE/ST - HALL/STEININGER

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