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ECONOMIC INTELLIGENCE

18 March 1952

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ECONOMIC INTELLIGENCE

18 March 1952

COLONEL WING: General Holman, gentlemen: A few weeks ago you had two lectures on the subject of Strategic Intelligence. Last week in Unit 10 of your course you began the study of the Economic Aspects of National Power. This morning we will try to correlate these two subjects by considering one component of Strategic Intelligence termed Economic Intelligence.

In doing this we will consider first its relationship to the measurement of the economic potential for war of foreign nations. We will consider its relationship to the formulation of foreign economic policy and also its relationship to the planning for economic warfare. We will also consider our economic intelligence requirements-availability ratio; that is, what we need and what we have in this field.

Now perhaps before proceeding we should take a moment to make sure that we are all on common ground as to the meaning and concept of terms. I am sure most of us are quite familiar with the distinction made between information and intelligence, information being that raw material from which intelligence is produced, such as news items, articles, statistical data, photographs, maps, verbal reports, rumors, and so on. Information is from two general sources, the overt sources and the covert sources. Intelligence is the product resulting from the skilful processing of this raw information.

Processing involves the evaluation as to its usefulness, as to its credibility and accuracy. It involves the integration or synthesizing of the various bits of evaluated information into one over-all intelligence product. It also involves the interpretation as to the significance of the finished intelligence product.

I think we should also at this time take a brief look at what the intelligence people term the intelligence cycle in the processing of intelligence. I think this very simple chart will illustrate graphically the intelligence cycle.

(Chart 1)

It is a continuous cycle, but a good point to start with is the collection phase. This phase deals with the collection or the securing of the raw information, whether it is of overt or covert source. This raw information is fed into the production or processing phase, as we call it. Here is where the information is evaluated and processed into intelligence. But, having the intelligence product, we are still not finished with the cycle. It is useless unless it goes to the user, the consumer; which action we term the dissemination phase.

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As you notice, the cycle continues on because this is not the end of it here at the dissemination phase. Here a good part of the initiation begins, guidance as to what is needed and what is wanted. So much for the intelligence cycle and our terms.

Having gone broadly into intelligence terms, I shall attempt this morning to stay as closely as possible to that one component of intelligence, economic intelligence. Those of you who have been engaged in intelligence work, and I think probably most of us, realize it is impossible to discuss any one component of intelligence without rubbing elbows with all the other components; since component, particularly in this sense, means a part of the whole. It in itself is significant only in the part it plays in the over-all function of strategic intelligence.

We might say that we are looking at the over-all strategic intelligence picture from the viewpoint of economic factors, rather than from political or military factors. And, considering it this way, I believe that probably we can arrive at the concept better by determining the objectives of economic intelligence rather than by trying to boil it down to one small capsule word definition.

I must admit right here that nowhere have I been able to find an over-all listing of the objectives of economic intelligence. Each agency I have visited, with the possible exception of the Central Intelligence Agency, have had concepts or viewpoints which are peculiar or particularly pointed to its own needs, or its own use, for bits of economic intelligence in its operations. So I have taken the liberty of synthesizing these various concepts or viewpoints I have received into what I believe to be the over-all national objectives of economic intelligence.

(Chart 2)

This is, to provide intelligence pertaining to:

1. The Economic Influences Affecting the Determination of National Objectives, the Formulation of National Policies, and the Planning of National Strategy, of Foreign Nations.
2. The Economic Capabilities of Foreign Nations to Support a War Effort.
3. The Vulnerabilities of Foreign Economies to Attack, Either by Direct Attack or by Economic Warfare Measures.
4. Economic Trends Which Serve as Guides to the Intentions and the Probable Actions of Foreign Nations.

Now these objectives could be stated differently. They could be added to bring out or highlight the particular needs or uses of specific

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agencies, but I believe that they do cover generally the over-all broad objectives of economic intelligence at the national level.

Many of you will undoubtedly recognize that by changing a few words, these could be made to be the objectives of, we will say, political intelligence or military intelligence. For example, we could say that the objectives of political intelligence are to provide intelligence pertaining to the political influences affecting the determination of national objectives; or that military intelligence was to provide intelligence pertaining to military preparations which serve as guides to the intentions, and so forth. Certainly, political influences do affect the determination of national objectives, and military preparations will certainly provide guidance as to the intentions of foreign nations.

However, I think we all realize that the primary objectives of any government is to improve the economic conditions of its people, and that economic influences, economic conditions, are the primary determinant of political policy. While political decisions might change overnight, a thorough understanding of the economic conditions and the economic trends will provide us with the best long-range guidance as to the probably objectives and policies of a nation. Also I think we all realize that military preparations must be preceded far in advance by economic preparations, prior to the military buildup.

Now we have listed our objectives and I think we are ready to determine our requirements, what we need to accomplish these objectives. Certain steps are necessary to determine what you need to accomplish the objectives; what end items or what products are necessary for this accomplishment; what facilities are necessary for producing these end items; what raw materials are necessary for the production; and what distribution facilities are required to get these products to the place or in the hands of the people that need them, if you are going to accomplish these objectives.

Then when we determine what we need, we are ready to set up a balance sheet, to take an inventory at that time and see what we have, deducting that from what we need to obtain what must still be provided.

Let us just take one objective from this chart. Let us take No. 2, "The Economic Capabilities of Foreign Nations to Support a War Effort." I am sure you all quickly recognize this as a major part of your recent discussions on the Measurement or Calculation of the Economic Potential for War of Foreign Nations. You will remember that in order to arrive at the economic potential for war you must first determine or calculate the economic potential of a nation; because all resources, whether human or material, must flow through the economy before they reach the military. Thus a calculation of the economic aspects of all power and potential is indispensable to the calculation of war capabilities. By realizing that,

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I think it is apparent that even this one objective itself is too broad to consider this morning, so let us cut it down to military end items or, better yet, to one end item.

Being in the Air Force, I will take aircraft. Then we can restate the objective: "To Provide Intelligence Pertaining to the Economic Capabilities of a Foreign Nation to Produce Aircraft in Support of a War Effort." Let us examine then a few of the requirements necessary to determine or to calculate this one limited objective. I say a few of the things advisedly, because time will only permit us to calculate a few of the things. It is just as well that we do have a time limitation because in order to list all of the things necessary, that you would have to know, I would have to consult experts in the field of geology, mining, steel and aluminum processing, manufacturing, transportation, labor statistics, and so on; a host of others which you could name after your studies here so far this year.

But there a few things, I think, that we can take as basic that we must know. For example, what is the raw material situation? How much raw materials are available within the one country that we are studying? How much is imported? How about the sources of imports? Can they be increased? How about the raw material processing facilities? The steel and aluminum mills? What is their capacity? How about aircraft plants themselves? How many aircraft plants are available right now and what is their capacity to produce?

Now in this way we can continue with, how much of the production of civilian goods can be converted? What is the condition of your machine tool industry? How fast can machine tools be produced? How about manpower transportation, and so on through the entire economy, just to get the information necessary to calculate this one small part of one objective.

But supposing we get this information; as we showed you on the cycle chart, it still is not intelligence. It must be processed; it must be evaluated and synthesized into an over-all estimate. And even getting it into an over-all estimate is not the end of the product because it must be broken down into tailored bits, and fed across the board to fill the needs of specific users, planners, and operators who need certain tailored bits of intelligence for their plans and operations.

The over-all estimate goes on up the line to the policy makers. About the time it reaches there, someone asks an embarrassing question and we notice that something is missing. It doesn't provide the specific intelligence they need. What is missing is what the intelligence people call the EEI, or the Essential Element of Information. So back we go down the cycle, out to the collecting people to get that bit of information so that we can complete our estimate.

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But as soon as you have handed it over to the policy makers, the cycle doesn't end there. It just starts on again because immediately the intelligence becomes history. Things which were impossible a year or a month ago are facts today, and facts for the policy makers and planners must be kept current if our policies and plans are to be current and valid.

But after we collect the information and process the intelligence, still our objective is not accomplished. You will note we say, "To provide intelligence." The best definition I have been able to find for "provide" in this sense means "To supply for use."

Now the intelligence officer is not a user. He has no responsibility for operations, for policy making, for planning, but he does have a responsibility to provide this intelligence to the specific users in such a form and manner as to give the best guidance for the particular needs of that user. This, as we mentioned, is the dissemination phase. I personally prefer to say the "distribution" phase. Disseminate to me has always meant "To scatter widely." Whereas this is not the function of this phase.

As I said, the intelligence must be tailored to meet the specific needs of the particular users, and must be aimed to those users that have the need for that particular bit of intelligence. I am not quarreling with the intelligence people as to the right or wrong use of terms, but I am trying to paint a clear word picture as to what actually takes place in this phase of the cycle.

But let us say now that we have determined our requirements. We will take the few we have named and group them into Information, Processing, and Distribution Facilities. Let us make up our balance sheet. What do we have? What is lacking?

There are two ways of trying to determine how you stand. One is to try to evaluate yourself now, through a lot of deductive reasoning. The other method is to adopt the approach of the historian, look backwards into a period of time and determine how you stood then by subsequently recorded incidents or actions. I prefer to take the easier method, that of the historian. I think a good time to project ourselves back into, is our position at the start of World War II. That is still fresh in our memories.

The American viewpoint on national security has changed considerably in the last 10 or 12 years. Prior to World War II, I doubt if today's subject would even have been considered from this platform, or from any where else in the nation, except perhaps for a few small voices crying in the wilderness. You have all heard statements as to our incompetence in the field of economic intelligence, and our national intelligence as a whole, at that time.

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Our position in planning for national security at that time reminds me in a way of the experience of a new air line that I had the opportunity of helping pioneer in Alaska in 1929. We had the most modern aircraft, Lockheeds, with Pratt-Whitney engines, good pilots and excellent mechanics. We had practically a virgin territory, stretching all the way from Seattle to Anchorage, which was ripe for any type of scheduled operations. We were ready to make a killing. We had everything we needed, we thought; but it soon became apparent that there were a few obstacles to sound planning or effective operation. There were a few things lacking. For example, the only maps we could find were charts used for ship navigation, which gave us wonderful data on the depth of waters but did not have very much about the height of the mountains we had to fly over. There were no radio navigation facilities; but we did get some weather information. Every morning at 0700 hours a Signal Corps sergeant at Fort Haynes, located between Juneau and Skagway, sent a message to the Territorial capital at Juneau, telling them whether or not it was raining at Fort Haynes--which it usually was--and which direction the wind was blowing. Of course, none of our operations were anywhere near Fort Haynes, but I guess you could say we had some information.

I didn't mean to divert this into a discussion of air line operations in Alaska; but in reading some of the historical records of our early days of the war, I couldn't help but believe that perhaps the reason some of our plans and decisions prior to World War II were not too sound, and why a few of our early operations were somewhat less than completely successful, was for the same reason that our little air line in 1929 had difficulty in making sound plans or in operating effectively; this was lack of guiding information, lack of knowledge as to conditions which would be encountered ahead, or in our military planning terms, lack of intelligence.

But general statements as to our incompetence will not tell us very well where we stood. We determined our objectives, our needs, so let us take an inventory on what we had. As stated, we first needed information. Well, as a nation we have long been not only producers of economic data, but collectors of economic data from abroad. Many business houses and transportation lines as well as government agencies have been for years collecting economic data from abroad. The Department of Commerce collecting trade information for businessmen and for their own use; the Department of Agriculture; the Justice Department--Anti-Trust Division--collecting data on cartels; the State Department, and hosts of other agencies.

This was all information from open sources. As I mentioned, there are two general sources of information, the overt and the covert. We had usually considered intelligence as concerned with the covert side. We spoke of intelligence as "cloak and dagger" information, or "spying."

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Many people in intelligence today that I have talked to seem to agree that, particularly in the field of economic intelligence, from 80 to 90 percent of all the data we require is available from open sources. We certainly had this data available in this country at the start of the war. We also had a few windfalls which we were fortunate to get. Many of you might remember that immediately after Pearl Harbor, we seized approximately 750 tons of documents from Japanese and German offices in this country. Many of these documents and records became particularly significant when we found that the Japanese had not only been keeping records of what they purchased in this country, but had kept records here of what they had been purchasing in every other country in the world. So in addition to the economic data we had collected ourselves, we had these windfalls. I think, in assessing our balance sheet, we can say we were not short of information. We had plenty to produce good and adequate economic intelligence, had we realized that it was good "intelligence information."

Our next need was for processing, or production facilities, and here is where we were really short. We might say we actually had no organization for economic intelligence, and I mean organization in all of its senses. By organization I mean people. We did not even have people in numbers and certainly we did not have people qualified to select, evaluate and produce economic intelligence. By organization, I mean functional responsibility. Not only no person but no specific agency, or no combination of agencies, was responsible for producing national economic intelligence. And by organization I mean a coordination. With all the economic data that was available, there was no organization set up to coordinate or distribute this data among the various agencies. If the President wanted an estimate of the situation at any time he had to call on the War Department for the Army and Air situation, on the Navy Department for the Navy situation, and on the State Department for the political and sociological data. Nowhere could he get an over-all estimate which also included the economic situation or conditions.

I think a classic example of this may be found in a special radio address that President Roosevelt made shortly after Pearl Harbor, in which he said that Germany and Japan were now practically at the maximum limit of their production in planes and ships and guns and tanks. Actually, we found out later that until after we entered the war Germany was never more than 30 to 40 percent industrially mobilized. Between February 1942 and December 1944 the plane and ship production in Germany more than tripled; their gun production more than quadrupled; and their tank production went up six times!

But going on down through our balance sheet, we said we had information. Lacking was processing or production facilities and, as long as we had never produced the product, I think we can logically assume that we were not providing the facilities for distributing it.

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Of course, actually, there was no such balance sheet at that time. These were like a lot of other requirements, we did not realize they were requirements because we did not know we had any economic intelligence objectives.

But with Pearl Harbor, and being projected into a global war, it very soon became apparent to everyone the immense gaps in our knowledge of these countries. It became apparent that something had to be done; and as a nation I think we can say that when we do realize something has to be done, we do something; right now! Never mind whether it is the logical or efficient way to do it, we get something done. I have heard us compared to Stephen Leacock's knight, who, they said, "Jumped on his horse and galloped off madly in all directions."

That is about what we did. All agencies, old and new, blossomed out with economic intelligence staffs. The War and Navy Departments enlarged their intelligence organizations to include complete economic intelligence sections, as did the Research Analysis Division of the Office of Strategic Services (OSS) and the Board of Economic Warfare (BEW). It has been said that if your office wanted a report on the steel industry in Japan during the war, you didn't have to go begging for it. There were several reports. You could get one from G-2; you could get one from the Office of Naval Intelligence (ONI); you could get one from the Board of Economic Warfare; or you could get one from OSS. As all of these agencies were in direct competition for qualified people and for funds, they naturally backed up their own experts, and practically stated that their report was the only valid one and the others could just as well be disregarded.

In the testimony before Congress on the National Security Act of 1947, this competition for people and for funds was referred to as "a monumental example of waste." Undoubtedly it could have been thought out in a more logical pattern, it could have been organized more efficiently, if we had had the time. But considering our lateness in entering this field, I would hate to think of the alternative. I would hate to think of what would well have occurred had we not organized them in a hurry. I would hate to even think of the final results of the war. Economic warfare measures were not all that we desired, but they were effective--thanks to the excellent work of the intelligence staff of the Board of Economic Warfare. Our strategic bombing survey has shown that many of our targets which we thought were vital were not quite so vital, and that we overlooked many targets that were more critical. But considering the lateness of the time in which we got into this economic intelligence work, I think that the work done in selecting the targets was effective.

So we can say that we did rapidly fill many of the shortages on our balance sheet. We needed people; we got people. We got numbers of people and people well qualified for economic intelligence. We did achieve some

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functional responsibility for the production of economic intelligence. True they were overlapping or scattered, but at least agencies did have functional responsibilities. We did not provide much over-all coordination and integration and we did not provide a very good distribution system for our finished intelligence product. So we can say that our balance sheet by the end of the war showed considerable improvement but our books were not yet in balance.

I think we might quickly review some of the problems and actions that occurred in the postwar situation in building our present economic or national intelligence structure.

The establishment of the Central Intelligence Agency under the National Security Council in 1947 gave legal status to national intelligence, and it was a milestone, in, that for the first time, the United States recognized the need for a national intelligence structure in peacetime. Of course, the passage of this act did not hand us full-grown our intelligence structure, but it granted a building permit. We were now able to select our architects, our contractors, our builders, get our materials, and start building a permanent structure. But we had to build a structure that would last in peacetime and would operate efficiently and effectively.

There were still, of course, many problems to be worked out. There were the problems of raw materials of information; who was to have the responsibility for collecting specific types of economic data? Who was to have the responsibility for reviewing this data that was collected and insuring that it was all distributed to all of the agencies which had need for this data in producing economic intelligence for their own needs?

There were problems in the production phase. Was each agency or each department to produce the economic intelligence it used for its own needs? If so, how was all of this data to be coordinated and integrated? Who was to get it all and review it in order to produce an over-all national intelligence estimate?

And then there was the problem of guidance. Guidance has always been a particularly difficult problem, even within a single agency. G-3 hesitates to tell G-2 specifically what it wants, particularly if the plan contemplated is highly secretive in nature, for fear the plan might be compromised by a very specific request, or that the intelligence report might not be too objective.

So G-3 asks for an intelligence report on the entire economy of "Lower Slobovia" when what he actually wanted was a report on one small but highly significant chemical plant. But the intelligence officer, in going through the reams of data to provide this complete report in time to meet the dead line, might very well minimize the importance, or completely overlook, this one chemical plant. You can see that while the

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problems of guidance are difficult within a single agency; the relationship between the producer and the consumer becomes more difficult as the distance between the user and the producer is widened.

In mentioning this relationship between the producer and consumer, we come to our last major problem area. You will all remember that the two gentlemen who spoke to you on strategic intelligence a few weeks ago stated that one of the big problems was the problem of getting the user to accept the intelligence product and to act upon it. So we will put as last, but not least, the problem of consumer acceptance.

I am not going to attempt today to complete our balance sheet, to try to analyze our exact status to see what actions have been taken, what actions still have to be taken, the problems which still exist. There are a few of your classmates who are going to become experts in this field in the next few weeks, and I understand a couple of them have requested permission to ascend this platform and bring you the "word" at that time. But I do want to conclude with summing up a couple of the major thoughts that I have tried to convey in this field.

First, I believe it is apparent to us all now that the degree of effectiveness in the evaluation of economic potential for war of foreign nations, the formulation of our own foreign economic policies, and the planning for economic warfare, depends to a tremendous degree upon the adequacy of the guiding knowledge furnished by economic intelligence. Also I believe that we all realize that in modern warfare science has annihilated what was previously one of our major areas or bases of defense, that is the defense of space.

National security has now become primarily a problem of defense in point of time. For anyone but an aggressor nation, for us, that means that our defense, and our mobilization for defense, must be geared to the intentions and the capabilities of the potential enemy. As long as our defense must be so geared to the enemy's intentions and capabilities, the knowledge as to these intentions and capabilities must be available to us in time so that we can mobilize our defense to meet the attack.

I have read considerable lately of Dr. Von Braun's proposed space satellite. He tells us we will be able to see what is going on everywhere in the world all the time. That will be fine--but until that time comes, I prefer to pin my confidence on a good, solid national intelligence structure, based on a firm foundation of economic intelligence.

As one last thought, I think you are all familiar with the phrase "Knowledge is power." I think that could well be adopted as a slogan for national security from here on out.

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Gentlemen, I am the target for any questions you might have.

QUESTION: In our own country we can't figure how many airplanes we will have in production. I mean the force data and so forth. I am talking about what is in the paper. That is when we have all the information and everything else. Anything we would get, say, from Russia would take a long period of time. It may give us a trend, but how are we going to make an analysis of how many airplanes they can put out when we can't do it in our own country?

COLONEL WING: Well, I wouldn't say that we couldn't do it in our own country. I haven't gone into that part of it, the production phase of it, over in the Defense Department, but I think we can readily analyze what we are able to produce in the way of aircraft resources with our present capacity, and what we are building towards.

Now we would not be able to determine accurately our full potential, during wartime, to produce aircraft because of the fact that to do that we would have to try to determine what our civilian bite or civilian demand out of our total economic potential would be. Then we would have to take what the military bite is, you might say, and divide that up into how the military are going to split up their own end items--how much into aircraft, how much into tanks, and so on. But we do have pretty good data to analyze on our ability to produce aircraft today, next year, and 1954 and 1955. That is my belief. I might be wrong on that and I wish anyone would correct me if I am.

As far as any information from behind the Iron Curtain, I steered clear of that because you have had specialists who have talked to you about the accuracy of the information we get from behind the Iron Curtain countries. The ratio of 80 to 90 percent of economic information from open sources certainly would not hold true for the Iron Curtain countries; but there is considerable information from open sources available about those countries, providing you have people qualified to exploit all of the sources. It is not only getting the data from right inside the Iron Curtain countries, but what are they purchasing from neutral countries? What are their trade items? You get it from some of the intercepts of their own radio speeches on their Five-Year Plans and how they are doing it. True, a good part of the data on that is percentage data. They don't come out nicely and tell us, as most of our statistical publications do, what the base date or index is. We haven't got all we want.

I think the first speaker who spoke to you on strategic intelligence told you that we don't have all we want but we are making progress and we are getting considerable data on what is going on behind the Iron Curtain. We are never going to get it exactly. As you say, we don't even have our own exactly, but I think we can get sufficient information to give us guidance as to the capabilities of the potential enemy.

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QUESTION: Along that same line, I noticed in your talk you made a very good point of making an evaluation of this information. Colonel Lindberg, back in 1938 and 1939, made a very good evaluation of the German program and came up with 3500, with a current monthly production of 5500 a month which we would need, as we know, and yet we refused to consider that data at that time and considered it very illusory.

COLONEL WING: That is correct. I don't think it needs any further observation.

QUESTION: Would you care to describe a little bit the details involved in processing, sifting, and sorting information to see whether it is accurate and what impact it would have upon the user of the information?

COLONEL WING: To the extent that I can, I will. I won't speak just of economic intelligence in this. I will speak generally because the process is pretty much the same for any type of intelligence.

Incidentally, I am going to divert from that for a moment to clarify an impression I might have given when I spoke of political or military intelligence as different from economic intelligence. When I was speaking of political intelligence and military intelligence, I was speaking of looking at the over-all strategic intelligence picture from the purely military viewpoint or purely political aspects, that is in terms of ships, guns and things on that order. The Military Department in its Intelligence Division collects and processes and uses a considerable amount of economic intelligence.

To go on to your question, the information that is collected by the various agencies, such as our Foreign Service diplomatic posts, of which there are 300 or more throughout the world, by military attaches, by commercial attaches, by the Treasury Department; information which is taken out from foreign broadcast intercepts, from newspaper articles, from travel folders, from various government reports, is fed into all of the agencies, or what we term now the Intelligence Community, that require that information. In fact, some of them told me they get a lot they don't require because they get about all of it.

But first they must look and see whether or not the information, if true, would be of much use to them. For example, you might get excellent data in the Air Target Division that all of the bath tubs in Russia were made in one certain plant that was easily available as a target for an Atomic Bomb. But I don't think we are going to waste an atomic bomb or send an airplane over there to drop a bomb on a bath tub plant unless it could be converted to produce something else that would be of strategic value.

Then it is evaluated as to reliability, that is reliability of the source. They usually use a letter of valuation from A through F, in

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which you check to see whether this source has been highly reliable in the past. An A rating would mean it was entirely reliable. B, probably reliable, and so on down to E which means reliability is tossed out, unreliable; and F, which means reliability cannot be determined.

Then as to the credibility of the information. The likelihood of its being right. You consider it against all other pieces of information you have been able to get. Say: you had information from two or three different sources which points in one direction and they are entirely logical and they all dovetail. Here comes in a bit of information, particularly from a source that hasn't been too reliable, stating something entirely opposite and which is improbable; you would not give that a high numerical rating for accuracy. For accuracy or credibility they use a numerical rating of 1 to 6--1 would be entirely probable; 5 is considered to be entirely improbable; and 6 means the accuracy cannot be determined.

That is the way primarily that the information is sorted, sifted, and evaluated before you take the various bits of information to synthesize them into an over-all determination of an intelligence product.

QUESTION: This follows up a previous question. I am a little concerned about what I have heard recently in several lectures, where at the end of the lecture there is a general statement to the effect that they have no idea as to when the potential enemy will attack if he would attack at all. If our present rearmament program is based on good intelligence data--where do these two tie in? Do you feel this building program is based on good intelligence data or shall we just build up our defenses and do nothing with them except let them get old?

COLONEL WING: As to how good our present intelligence data and estimates are, I can't say from my own experience. I believe that our intelligence organization, our intelligence product today is better than it has ever been before. That is, of course, a very ambiguous statement because how good is good.

But as to whether or not the potential enemy will attack at a certain date, I don't know of any way of knowing that except to be able to look into the minds of their rulers. The best guidance against that is to try to determine their capabilities. If they were going to attack, what would they be able to do and what would we have to have to meet it. Then gear our defense production or defense mobilization to sufficient strength to meet the attack when it did come.

Now the only other alternative I can see to that is the complete garrison state, let us say, of having a sufficient force built up to meet any attack that could possibly come at any time. I think that is an impossibility even for our own country let alone trying to get our potential allies, in their present economic condition, to build up a maximum defense force at the present time, and then keep it current and keep it up to date over a long period of time.

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I hesitate to use the old term "calculated risk" but that is the best way I can see. We can't look into the minds of the enemy and know what they are going to do. Even if we got their strategic plans--which showed something was going to happen six months from now, they could change their plans tomorrow. But if they are planning to attack at some certain time, they are plagued by the same problems of production as we are. You have to have lead time before you can produce the necessary armaments.

That is why I say I think our best guide is to look at their economic capabilities and trends, along with any other sources of political or sociological intelligence data we can get.

QUESTION: It seems to me there is another side, another possibility to the question. You spoke of an analysis of the weakness of the enemy as stated in economic intelligence. Suppose you have put forth three supposes for building a Maginot line. We are going to meet strength with strength, know what the enemy has in mind and his capability of doing it and meet him. If we analyze his economic weaknesses, his military weaknesses, his weaknesses of all kinds, in fact, it seems to me it should be possible to divert or even prevent an attack.

COLONEL WING: That may be possible, but how to do it? There are four types of attack, or warfare, or ways to injure or diminish the enemy's potential, you might say.

One is by the conventional military means, purely military attack. Now I am certainly going to steer away from anything in connection with whether we should or shouldn't attack.

The next is economic measures, economic attack. I think that we are doing probably all we can right now in the way of economic warfare. I don't mean when we are in all-out war. I don't mean to say we are doing everything it might be possible to do, if it was politically feasible within our own country to get agreement, but I think that Captain Alexander pointed out pretty well the economic attack or warfare measures that we are taking now.

There are other economic warfare measures which take force to operate, which operate against the enemy's economy, and which you can only use actually if you declare or if you want to admit that you are in a war. I don't think this country is ready to admit it if we are.

The third is psychological measures or psychological warfare, to which I believe you all had considerable introduction in joint lectures with the War College and I am not going to touch on it because I don't know too much about the psychological warfare measures.

The others are political measures. I don't know how effective they are but I believe we are using considerable political pressures on all

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of the countries on which we are able to use political pressures. I don't know how else, except by one of those four measures, that you are going to diminish or neutralize or stop or attack the enemy's economic potential. I would like to have the comment of anyone else here if they know more about it than I do. I know I didn't answer your question.

QUESTION: I would like to get this down to cases as to how good our intelligence is. We have talks going on. If we had good intelligence, we would know which way we should be going. If we have the capability of clearing up the Korean thing, why don't we lay it on the line?

COLONEL WING: As I say, I haven't been over in the little room where they have the joint intelligence reports, where they have the joint strategic planning, but I gave you primarily the things that I have read, that certain of our military leaders have said, open sources that are available in the newspapers and magazines. It seems to me from what has been said by our military leaders recently that we are quite familiar with the capabilities of the North Koreans and the capabilities of the Chinese interventionists there. They seem to give pretty specific figures as to how much they have, information as to what their supply sources are, their capability to supply troops.

So it looks to me, from what has been published as to our military leaders saying what are the capabilities of the North Koreans and the Chinese Communists, that they have that knowledge and it is primarily a question of military and political decision rather than intelligence.

QUESTION: Do you attribute the vacillation of the team to political factors?

COLONEL WING: Let's just say that I don't attribute current decisions to lack of intelligence on the matter.

Gentlemen, I hate to call this to an end as long as there is a question. Tomorrow morning we will have discussions in our groups where you can bring up any questions you desire.

Thank you.