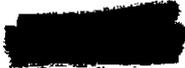


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CENTRAL INTELLIGENCE AGENCY  
WASHINGTON 25, D. C.

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5 January 1950

MEMORANDUM FOR: SPECIAL ASSISTANT TO THE SECRETARY OF STATE  
FOR RESEARCH AND INTELLIGENCE  
DIRECTOR OF INTELLIGENCE, GENERAL STAFF,  
UNITED STATES ARMY  
DIRECTOR OF NAVAL INTELLIGENCE  
DIRECTOR OF INTELLIGENCE, HEADQUARTERS  
UNITED STATES AIR FORCE  
DIRECTOR OF INTELLIGENCE, ATOMIC ENERGY  
COMMISSION  
DEPUTY DIRECTOR, JOINT INTELLIGENCE GROUP,  
THE JOINT STAFF  
DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

SUBJECT: CIA Situation Reports

- REFERENCES:
- a. Memorandum from DCI to the Special Assistant to the Secretary of State for Research and Intelligence, subject as above, dated 13 December 1948.
  - b. Memorandum to the DCI from the Director of Intelligence, GSUSA, subject as above, dated 18 November 1949.
  - c. Memorandum to the DCI from Assistant Executive, Directorate of Intelligence, Department of the Air Force, subject as above, dated 5 December 1949.
  - d. Memorandum to the DCI from the Director of Naval Intelligence, Subject: Navy Participation in Preparation of CIA Situation Reports, dated 5 December 1949.

1. In reference b, c, and d, the intelligence agencies of the three Services recommend that the Situation Report Program be discontinued entirely. They indicate further that, if the Situation Report Program is continued, any participation in it by them would seriously interfere with the higher priority National Intelligence Survey Program.

2. The United States Government urgently needs comprehensive background analyses of the situation in all areas which are vital to the national security. The only such publication presently available is the "Defense Project" covering the USSR. National Intelligence Surveys on other critical areas are in production, but it is believed that none of these will be completed in the immediate future. It seems essential,

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therefore, that work on Situation Reports covering such areas should be continued as a stop-gap program until reasonable assurance is had that the National Intelligence Survey Program itself is ready to publish complete studies.

3. A comparison between the status reports of the Situation Report Program dated 1 December 1948 and 1 December 1949 shows the following:

a. Studies on seven countries which were scheduled in 1948 were disseminated before 1 December 1949: Brazil, Cuba, Sweden, Rumania, Arab States, Portugal, and Ireland.

b. The study on the United Kingdom and parts of the study on Germany have been disseminated since 1 December 1949.

c. The study on Mercury, which was scheduled in 1948, was disseminated during 1949. The study on Antimony, which also was scheduled in 1948, was cancelled during 1948. No further commodity studies are scheduled.

d. Five reports scheduled in 1948 have been cancelled during 1949: Liberia, Madagascar, Colombia, Switzerland, and the Netherlands.

e. Two countries listed on both 1948 and 1949 schedules are, upon re-examination, believed to be insufficiently critical to be retained so are cancelled herewith: Argentina and Peru.

f. Eight areas were added to the schedule during 1949: Costa Rica, Guatemala, Israel, Union of South Africa, Rhodesia and Nyasaland, Mozambique and Angola, Haiti, and Cyprus. Although Costa Rica and Guatemala are not critical areas, the study on Costa Rica is in the process of advanced coordination with the IAC agencies, and the study on Guatemala is nearly completed by CIA; both studies are therefore retained on the schedule. The study on Israel is not only on a critical area but is also nearly completed by CIA, so should likewise be retained on the schedule. The five others are cancelled herewith as not being on critical areas.

g. All of the other areas listed on the 1 December 1949 schedule of the Situation Report Program are believed to be vitally important to United States security and strategic interests, so should therefore be retained on the schedule.

4. In summary, CIA believes that Situation Reports on the following critical areas should be retained on the schedule, in the order of their probable completion:

a. Situation Reports in an advanced stage of coordination with the IAC agencies: Costa Rica, France, Germany (remainder), and Canada.

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b. Situation Reports which are nearly completed by CIA: Guatemala, Israel, French North Africa, Thailand, Mexico, and Indochina.

c. Situation Reports on which production has begun within CIA: Poland, Yugoslavia, Bulgaria, Czechoslovakia, Hungary, and Finland. CIA will schedule additional Situation Reports if other areas become critical, in the absence of National Intelligence Surveys on such areas.

5. By reference a, the agency participation in this program was reduced to commenting on those sections of the drafts prepared by CIA which are of primary interest to them. Since in references b, c, and d the intelligence organizations of the three service agencies have strongly urged that their formal participation in this program be reduced still further or eliminated entirely, it is recommended that the IAC agencies complete their comments only on the four scheduled Situation Reports which are in an advanced stage of coordination with them -- SR-49 Canada, SR-53 Costa Rica, SR-30 France, SR-20 Germany, remainder.

6. For the reasons given in paragraph 2 above, CIA proposes to continue the revised Situation Report Program for the sixteen countries listed in paragraph 4 above. The IAC agencies are released from the responsibility of reviewing the completed drafts of the other twelve scheduled Situation Reports for formal concurrences or comments. CIA will carry an appropriate notice to this effect in each Situation Report so published.

7. Nothing in the foregoing should be construed as modifying the customary continuing responsibility of the IAC agencies to make available to CIA all pertinent intelligence and unevaluated information concerning the situation in critical areas, and to afford informal assistance to CIA, as needed, through operational liaison on the working level.

8. It is hoped that you will continue your participation in this program, as outlined in paragraph 5 above, as expeditiously as is possible, and that the NIS Program will go forward so that in the course of time it will be unnecessary for CIA to continue the Situation Report Program beyond that shown in paragraph 6 above.

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5 January 1950

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