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REVIEW OF THE WORLD SITUATION

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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

SUMMARY

The USSR is proceeding methodically to capitalize upon the advantages won through its tactical departure in Korea of initiating limited, local war by non-Soviet Communist forces. The Soviet return to the UN has enabled the USSR to use this forum for a political-warfare offensive as well as to hamper US action in the UN.

The USSR has diplomatic freedom of action because it has maintained the thin fiction of having no responsibility for the actions of the Soviet-advised, Soviet-equipped Communist forces in Korea. Meanwhile, the unparalleled public information facilities of the UN are being exploited fully to charge the US with "aggression" and illegal intervention in the "civil war" in Korea.

Behind this political warfare facade, the Soviet-controlled North Koreans are driving down the Korean Peninsula, drawing into action the greater part of the combat-ready armed forces of the US. At the same time, the USSR is building up threats of aggression at many points around the border of the Soviet sphere of influence. An armed attack on Taiwan by Chinese Communist forces could be launched without necessitating the slightest change in Soviet policy and propaganda as presented at the UN. While the long-range effect might be to strengthen UN opposition to Soviet aggression, an attack on Taiwan would probably for the short-run sow confusion and discord among the non-Soviet powers because of their fundamental disagreement over the Chinese Communist recognition problem. In other areas, comparable targets for aggression (Indochina and Yugoslavia, for example) are almost as inviting as Taiwan.

These threats of Soviet-sponsored aggression are forcing the Western Powers to begin to mobilize military forces sufficient to deter the USSR either from mounting new local military aggressions or from exploiting its own steadily increasing capability of openly attacking the US and its allies. Despite general recognition of the need for a greatly accelerated rearmament program in response to the Korean crisis, the efforts of the European members of the North Atlantic Treaty (NAT) as presently planned fall short of the requirements for an effective defense of Western Europe. An adequate program to form an effective power-grouping on the continent will require great US initiative and pressure, a more closely integrated common effort under the NAT, and a determined campaign to lift European morale from its present apathy.

Note: This review has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force. The information contained herein is as of 11 August 1950.

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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

1. Soviet Intentions.

Since the beginning of the Soviet-sponsored attack in Korea, the USSR has been maneuvering to maintain maximum freedom of diplomatic action and simultaneously has been building up Soviet and Satellite capabilities for direct military action. During the next several months, Soviet leaders can choose their own time for committing the USSR to a particular tactical course of action. Soviet leaders themselves probably have not yet reached a firm decision as to whether the USSR will profit more in the next few months from: a) further Soviet-sponsored aggression; b) Soviet-sponsored "peace" moves, preserving most of the advantages of the Korean military adventure and providing ammunition for a vigorous campaign of anti-US political warfare; or c) initial adoption of the "peace" move tactics, designed to soften and disorganize the embryonic anti-Soviet coalition in the UN, followed very shortly by further aggression. Thus the USSR has the initiative completely on its side, whether it chooses to make the next clash with the non-Soviet world a military or a strictly political battle.

The USSR is exploiting the advantages won through its tactical departure in Korea of initiating limited, local war by non-Soviet Communist forces. Not only is the USSR waging a political and propaganda offensive against the US, but it is also setting up formidable military threats of aggression at many points where the Soviet sphere of influence borders on the Western world.

At this juncture and for at least several months ahead, the USSR is in an excellent strategic position. The main powers dedicated to the containment of Soviet-controlled Communism (the US, the UK, and France) have become embroiled in costly military operations in Asia, where, among other factors, the indigenous nationalist revolt against Western colonialism has enabled the USSR to gain influence and harass the Western nations with a minimum expenditure of Soviet effort. Most of the combat-ready forces of the US, the UK, and France are now deployed in Indochina, Malaya, Hong Kong, Taiwan, and Korea. There have been powerful political and economic reasons for Western commitments in Asia, but the result has been a steady drain on the military resources that otherwise would bolster the defenses of Western Europe. As the North Atlantic Powers begin the critical race against time to mobilize military strength sufficient to deter or meet open Soviet aggression, they have over their heads the disconcerting threat of further limited local aggressions, particularly in Asia, where an attack on Taiwan or even on Indochina could be disguised as local, nationalist civil war. Such aggressions might draw off Western combat resources almost as fast as they are mobilized.

At the same time, the Western world cannot overlook the ultimate Soviet threat of a general war in which all Western Europe and most of Asia probably could be quickly overrun by the USSR. By securing military control of the Eurasian land mass, the USSR would acquire a vast new economic potential for war. Although its economy is weak in some respects, the USSR is at present capable of fighting a major war on a large scale for at least a limited period of time. There is no assurance, therefore, that the USSR would not accept a substantial risk of war with the US. Soviet leaders might consider it necessary to accept such a risk in order to take limited aggressive action that would, if successful, prevent the US and its allies from becoming fully and effectively mobilized. If they accepted a substantial risk of war with the US, Soviet leaders in doing so would be relying on their enormous combat-ready military machine and the tactical unpreparedness

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of the Western world to outweigh US superiority in strategic (atomic) bombardment capabilities. They also would hope to divest the US of its allies, its forward bases, and most of its combat-ready forces before the final showdown came. In fact, if the Soviet leaders should ever deliberately decide to resort to open war to end US resistance to Communist expansion, the USSR might find it profitable to invite and finally provoke war with the US by gradually badgering the US into declaring war under circumstances that might cause US allies to falter.

2. Malik's Return.

The preliminary tactics of the Soviet representative, A. J. Malik, indicate that the USSR returned to the UN Security Council to conduct a political-warfare offensive against the US rather than to beat a strategic retreat from the Korean adventure.

The reappearance of Malik to preside over the August meetings of the Security Council was an implicit admission that the Soviet tactics of boycotting the UN were working to the disadvantage of the USSR. By withdrawing from its usual obstructionist role in UN deliberations and by denying itself the use of the UN as a sounding board for Soviet propaganda, the USSR had permitted the UN to mobilize the non-Communist world in opposition to Soviet-sponsored aggression. In the first few days of discussion, Malik has succeeded both in obstructing further UN action and in playing up the current Soviet propaganda line.

This propaganda, designed largely for the quasi-neutral non-Communist countries of the Far East, tirelessly asserts: a) the South Koreans started the fighting in Korea under US instructions; b) the war that has ensued is basically a civil war for the unification of Korea by Koreans; c) US intervention in the Korean civil war constitutes open aggression against an Asiatic people; and, d) the US is intent on dragging other UN nations into the struggle, broadening it into a worldwide war. The USSR, of course, is portrayed by Malik as a nation which has no responsibility for the Korean incident, deplores US "aggression" and "illegal" manipulation of the UN in support of US intervention, and has returned to the UN in the interests of a "peaceful settlement" in Korea. Reluctance of the Western nations to state categorically that they hold the USSR responsible for the whole North Korean military adventure strengthens the hand of Malik in the UN war of words.

Without winning its point on a single vote in the Security Council, the USSR already has benefited from its return to the UN by confusing and obscuring the critical strategic issues raised by the fact of Soviet-sponsored aggression in Korea. The USSR may intend by its tactics to confuse some and frighten others among the non-Communist nations as well as, perhaps, to hinder or prevent the North Atlantic Treaty (NATO) and Mutual Defense Assistance (MDAP) nations from taking the steps necessary to strengthen themselves against the threat of Soviet military aggression.

At the same time it is waging propaganda warfare, the USSR retains its diplomatic freedom of action to settle the Korean issue in the UN. There is at present no sign that the USSR will accept any Korean settlement that brings less political and military advantage than the Soviet-directed North Koreans have already won. So long as US-UN forces continue to retreat, the USSR is under no immediate compulsion to seek a settlement of any kind. The USSR at some point during the period when US-UN military fortunes are at low ebb may well go beyond its proposal for a cease-fire and withdrawal of UN "foreign" forces from Korea. The Communists are already liquidating hostile leaders in occupied southern Korea and proceeding to give a semblance of reality to the organization of a unified all-Korean government. The USSR might even sanction all-Korean elections under some kind of limited UN supervision, but only if advance preparations by the invading forces virtually assured a North Korean-Communist victory. Such proposals, which would bring the Communists all the fruits of military victory, can scarcely be described as "negotiated peace."

The main incentive for the USSR to relinquish political and military advantages already won in Korea would be a Soviet desire to fore-

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stall an eventual US-UN counter-drive to or beyond the 38th parallel in Korea. The USSR, however, has the capability of preventing this adverse military situation from developing in Korea simply by sending Satellite military forces into action in a diversionary operation (if not initially as direct reinforcements in Korea). There is no assurance in present Soviet diplomatic conduct or in the present state of Soviet military preparedness that the USSR will make substantial political concessions which would nullify or seriously reduce the scope of Communist successes in Korea.

3. Target Taiwan.

As yet there is no conclusive evidence that the USSR intends to exercise its option of dispersing and perhaps overstraining US military resources by launching new local aggressions of the Korean type, for example, by an attack on Taiwan. Nevertheless, the line adopted by Malik at the UN Security Council meetings, urging that US intervention in "civil wars" within the boundaries of a traditional state is pure "aggression," foreshadows a propaganda broadside against US military intervention in Taiwan. Such a broadside may well be fired prior to or in the absence of any military action, but it would be especially effective in the event of a Chinese Communist invasion of Taiwan. This fact alone raises the possibility that the USSR anticipates an early assault on Taiwan, resulting either in a Chinese Communist military victory despite the presence of US forces or in a defeat of Chinese Communist forces at the hands of "aggressor" US military units. The USSR might hope in either case that the US would become involved in a virtually endless war in which it was cast as "imperialist aggressor" in Asia. The strategic advantages that would accrue to the USSR from such a development might outweigh in Soviet minds the risk of permanently prejudicing Sino-Soviet relations by pushing the war-weary Chinese into another protracted period of armed conflict. The diversion of US effort and attention might indefinitely postpone a powerful US-UN counter-attack in Korea. The minimum gain to the USSR would be the political disorganization that probably would strike the present non-Soviet majority in the UN because of the reluctance of several countries (the Indian, British, and French governments in particular) to become associated with US intervention on behalf of what they consider to be a weak and discredited regime, the fugitive Chinese Nationalist Government.

The Chinese Communists, meanwhile, appear to be proceeding with military preparations for the assault on Taiwan. Barring effective counter-action by US military forces, Chinese Communist forces probably are capable of establishing a beachhead on Taiwan and of establishing control over the whole island within a few weeks.

The intention of the Peiping regime to "liberate" Taiwan despite the intervention of the US has become the principal theme of Chinese Communist propaganda. Although no time limit is set in Chinese pronouncements, from a military point of view the most advantageous time for a Communist attack would be in the period before mid-September 1950. A successful assault on Taiwan would strengthen the Soviet and Chinese military position in the whole Far Eastern area and would further undermine confidence in US commitments to contain Communist expansion.

4. Other Targets of Local Aggression.

Communist capabilities for initiating local hostilities are by no means limited to Taiwan. The Chinese Communists are capable of intervening in Korea to prolong the fighting there while the USSR builds up its propaganda case against the US for "slaughtering" Asiatics and "frustrating" Korean "unification" and "independence". They are also capable of invading Indochina and Burma or seizing Hong Kong and Macao.

In all probability, these military adventures are not scheduled to take place in the near future. Although some of the alternate targets are almost as inviting or even more vulnerable in strictly military terms, the immediate political gains to be won in an assault on Taiwan are greater than in any of the other border areas. Moreover, military and political exploitation of the Korean incident (let alone an early Taiwan incident) might bring broad advances of Communist influence

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through local Communist "liberation" movements in Asia without direct military action. The USSR may be inclined to discourage the commitment of Chinese Communist forces outside territory which is traditionally Chinese, not only to bolster the propaganda theme of US "aggression" in Asian "civil wars" but also to keep the various non-Chinese "liberation" movements tied to Moscow rather than Peiping. The crossing of a well-recognized international border, even those of Hong Kong and Macao, would undermine the Soviet campaign which aims to slow the common defensive efforts of the North Atlantic Powers and to "neutralize" such hesitantly anti-Soviet states as India.

The factors militating against open movement of military forces across international frontiers also make Taiwan a more likely target for military aggression than Yugoslavia, which nevertheless could be attacked virtually without warning by the armed forces of the nearby Soviet Satellites, Bulgaria, Rumania, Hungary, and Albania. The forces of these Satellites, substantially strengthened by a steady increment of Soviet supplies and equipment during the past year, probably are capable of overrunning the northeastern plain of Yugoslavia. The ability of the Tito regime, once driven from this area, to control the remainder of the country is problematical and depends largely on the feasibility of prompt military assistance from the US and its allies. The importance the USSR attaches to Tito's heresy against Moscow-controlled Communism suggests strongly that Yugoslavia eventually will be a target for attack if the USSR proceeds to sponsor further local aggressions through the medium of non-Soviet military forces.

Other European and Near Eastern border areas are less likely targets than Yugoslavia for the immediate future. In Iran the necessity of using Soviet rather than Satellite troops to capture the country tends to inhibit action against an otherwise vulnerable target. The geographic position of Greece and Turkey, and the resulting logistic difficulties that would beset a combined Satellite effort against either of those countries, make Yugoslavia the more likely target in this general region under present circumstances. Similarly, the time does not seem to be ripe for action in Austria or Germany. The East German paramilitary force being trained and equipped by the USSR at present has no greater military capability than to take over West Berlin. Unless the USSR were willing at the same time to stop the movement of Western reinforcements to Berlin by reimposing a blockade, thus inviting the US to attack Soviet forces and precipitate war with the USSR, action in Germany is likely to be postponed while the East German forces increase their strength and combat efficiency.

5. Mobilization of the West.

These threats of Soviet-sponsored aggression are forcing the Western Powers to begin to mobilize military forces sufficient to deter the USSR either from mounting new local military aggressions or from exploiting the Soviet Union's steadily increasing capability of openly attacking the US and its allies. In response to the Korean crisis, the European members of the NATO have recognized the need for a greatly accelerated rearmament program. However, their efforts as presently planned fall short of the requirements of an effective defense of Western Europe.

Behind this European reaction are several political, economic, and psychological factors. Most important, all the countries are fearful of the impact of rearmament on their still delicate economic stability. The desire of armed-service chiefs and defense ministers to proceed with building up effective forces is still, as earlier among the Brussels Pact powers, blocked by the professed inability of the finance ministers to divert the necessary funds from the civilian economies. On the continent in particular, the Europeans still lack a firm conviction that any level of effort on their part will suffice to prevent invasion. It is this general pessimism that prevents a more positive European response to the challenges implicit in the Korean crisis.

The comparatively modest British rearmament proposal is based on the assumption that the continuance of economic recovery in Europe is a first-priority objective of both US policy and Western defense. The British pro-

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posal is advanced as the utmost that can be undertaken without going over to a wartime economy. The Labor Government is reluctant to try to lead the British workers very fast or very far in the direction of curtailment of living standards. As long as the British feel that Western military power is primarily a deterrent, and war does not seem imminent, the British would certainly prefer that the main rearmament burden be borne by the vastly superior resources of the United States.

France, whose unstable government feels that its delicate economic and political condition prevents it from undertaking the all-out effort it clearly recognizes is necessary, is pinning its hopes on shifting the financial burden to the US through a combined or "pool" rearmament program. Of the lesser NAT countries, only Italy displays a strong determination to make a maximum effort, which, of course, must remain within the sharp limitations of the Peace Treaty. In view of the reluctance and, to a large extent, inability of the European allies of the US to make the necessary sacrifices, an accelerated program to constitute an effective power-grouping in Western Europe will require US initiative and pressure, even greater US economic and military aid than now contemplated, a greater, more closely integrated common effort, and a determined campaign to lift European morale from its present apathy.

In particular, a far greater degree of integrated NAT effort seems absolutely essential if European strength is to be built up as a serious deterrent to the USSR. Tentative moves in this direction are already underway and the strong French and Italian pressure for an integrated European army, combined military budgets, and a combined high command will reinforce the trend. Such a program will of course meet serious obstacles in the inherent conservatism of national military thinking which exists in all the NATO countries.

6. Reaction of the Non-Soviet World to the Current Korean Situation.

The response of non-Soviet nations to the US-UN intervention in Korea has continued to be almost uniformly favorable, but there have been many reservations and sober second thoughts.

Among the Commonwealth nations, the UK, Canada, Australia, and New Zealand have supported the US position and have offered military assistance to the UN forces. The North Atlantic Treaty countries as a group have promised moral and, in most cases, material support, but so far have confined themselves to token commitments of military forces. The offers of military assistance from Thailand and the Philippines have been particularly significant because they help to disprove the Soviet propaganda line about unilateral "Western" US attacks on Asian peoples.

On the whole, continental Western Europe still appears to be anxiously awaiting the outcome of military operations in Korea, which they fear to be doomed to the dreaded double catastrophe of invasion and liberation. There are increasing fears that the US cannot prevent and perhaps cannot even substantially delay the use of military force by the USSR. Despite official efforts to accelerate mutual defense preparations, a sense of defeatism probably will be widespread and will lead to dissatisfaction with the form and amount of US assistance. These attitudes spring from an enforced abandonment of wishful thinking. The nations of Western Europe have been relying largely on a US atomic monopoly and technological superiority to protect them against Soviet aggression, despite the realization that the USSR's military preparations were resulting in ever-increasing strength. Now, while there is growing awareness of the need for a strong military force-in-being in Western Europe, the accompanying sense of helplessness may undermine NAT efforts.

In the Near and Middle East, the Korean crisis has failed to shake the will to resist aggression of the three border countries receiving US military aid: Greece, Turkey, and Iran. They are seeking to strengthen their military forces, and Turkey has responded to the challenge of Korea by offering troops to the UN with a view to furthering its aspirations to join the North Atlantic Treaty group. Israel and Pakistan have meanwhile exhibited a greater recognition of the extent to which

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their fates are bound up with the West. Despite continuing popular resentment of the US-UN record in Palestine and the example of Egypt's decision to abstain in the Security Council's vote on sanctions in Korea, the Arab governments have in varying degree come around to support the US-UN action in Korea.

The behavior of India and Afghanistan, however, reflects a strong reluctance on their part to become identified with the West. Although India has backed the UN effort to repel the North Korean invaders, Indian efforts to mediate the Korean question and willingness to support Soviet maneuvers to seat Communist China in the UN indicate that Indian thinking is still dominated by the desire to remain "neutral" and a preoccupation with India's position in Asia. The ambivalent attitude thus displayed is epitomized by its offer of a detachment of medical troops for use in Korea. Afghanistan, having recently concluded a four-year trade agreement with the USSR, is clearly bent on maintaining good relations with its powerful neighbor to the north.

Finally, their responses to the UN request for assistance in Korea indicate that the Latin American nations will give little military assistance, at least under present circumstances. Their failure to make any considerable offers of direct military assistance is due, in part, to local considerations (such as impending elections in Brazil and isolationism in Argentina), and also to an awareness on the part of most of these countries that they are unable to furnish aid of more than token dimensions. In some countries the principal support for direct military aid is within military circles, and interest among other segments of the population is not strong enough to provide a political basis for direct aid. Points of difference between the US and various Latin American governments (particularly Brazil), and the feeling that the US has subordinated Latin American interests to those of Europe in the post-World War II period, have cooled enthusiasm for US leadership. Finally, the present situation seems to most Latin Americans to offer no immediate danger to themselves.

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