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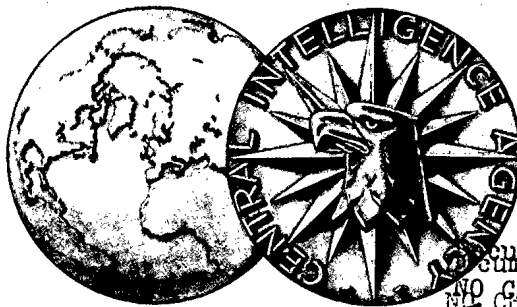
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FOR THE ASSISTANT DIRECTOR
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THE POSSIBILITY OF BRITAIN'S ABANDONMENT OF OVERSEAS MILITARY COMMITMENTS

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THE POSSIBILITY OF BRITAIN'S ABANDONMENT OF OVERSEAS MILITARY COMMITMENTS

SUMMARY

1. The Commitments.

Britain's overseas military commitments include: (1) the defense of its dependent territories from external aggression and internal disorder; (2) obligations set forth in treaties and agreements; (3) obligations implicit in Britain's Commonwealth and general defense policies; and (4) occupational responsibilities.

The nature and scope of these world-wide commitments are examined in Section 1: Britain's Current Overseas Military Commitments.

2. The Likelihood of Liquidation for Economic Reasons.

In present circumstances and those likely to obtain at least well into 1950 the British Government has no intention of giving up any of its overseas military commitments. The British economy has indeed reached a stage where some reduction in defense spending has become necessary. A token reduction has recently been made, and the defense budget for the fiscal year beginning 1 April 1950 will show a saving over that for the present year. But there is as yet no serious demand for other than moderate savings, which can be accomplished within the framework of existing overseas military policy.

It cannot be assumed, however, that the British financial position will not deteriorate so far as to make essential a really deep reduction in defense expenditure in order to preserve the national economy. The critical point could be reached as early as mid-1950. Large savings could be achieved only by the abolition (or a very substantial curtailment)

of conscription and a deep cut in the service manpower ceilings, combined with a decrease in overseas commitments and a reduction in the industrial demands of the services. It may be assumed that the British will make every effort to avoid these drastic measures.

3. The Method and Order of Retrenchment and Withdrawal.

If economic deterioration ultimately should force the UK to make large reductions in defense expenditures, beyond the amounts possible through administrative and minor manpower economies, the government would undertake a series of coordinated retrenchment measures, including a sharp reduction in the manpower strength of the services; a further sharing or, in some cases, a transferring of some overseas commitments to other friendly and reliable powers; a reduction of strength at remaining overseas locations; and a cut-back in the military production and works programs. In their withdrawals the British would aim, so far as possible, to avoid adversely altering the East-West power situation and creating power vacuums. Their order of approach would be determined by the international situation prevailing at the time, the willingness of the US and the Dominions to take added responsibilities in various areas, and considerations of prestige. Assuming the situation were about as at present, the UK would initially reduce its forces in Austria and Trieste to token size and make a substantial cut in its forces in Germany; whittle down its forces at other stations, though probably not in Southeast Asia and Hong Kong; and econo-

Note: The intelligence organizations of the Departments of State, Army, Navy and the Air Force have concurred in this report. It contains information available to CIA as of 29 November 1949.

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mize on the maintenance or development of installations and bases. Concurrent with, or following on, this series of steps the UK would open conversations with the US, the Com-

monwealth countries, and possibly other allies looking toward their sharing in or assuming some of the British overseas military undertakings.

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THE POSSIBILITY OF BRITAIN'S ABANDONMENT OF OVERSEAS MILITARY COMMITMENTS

1. Britain's Current Overseas Military Commitments.

The overseas military commitments of the UK, some burdensome and some only potentially costly, are of several types:

(a) Those natural to a modern colonial power, the defense of its dependent territories from external aggression and internal disorder;

(b) Those set forth explicitly in treaties or agreements, involving defense guarantees, the supply of arms and/or training missions;

(c) Those implicit in Britain's Commonwealth and general defense policies; and

(d) Occupational responsibilities.

Within these general types there is overlapping. For example, by treaty the UK is bound to defend Egypt and enjoys the right to maintain troops and bases there; but a commitment to defend the Middle East from external aggression, to maintain a condition of stability there, and to control the Mediterranean-Suez Canal-Red Sea "life-line" is implicit in Britain's Commonwealth and general defense policies. Similar considerations apply to Iraq. As another example, Gibraltar would be defended as a dependent territory, but it would also be defended for reasons implicit in the Commonwealth and defense policies. It is apparent, therefore, that although for convenience and organization British commitments are broken down into categories, many of them fit more than one.

A commitment, it should be made clear, is a fixed military policy or principle embedded in the national strategy, involving an intention to carry out a given mission; it need not include a precisely specified number of troops, ships, or aircraft. A commitment remains operative regardless of fluctuations in the strength of the forces on the spot, so long as policy is unchanged. Until policy is altered, therefore, any such fluctuations affect only

the adequacy of the forces to fulfill the mission and, in the case of a defense obligation, measure only the size of the risk accepted.

To service the present commitments of the UK, British forces (including colonial troops) are disposed across the world* according to British "Estimates of the Situation" and the availability of bases.

a. The Dependent Territories.

Britain's defense commitments include all the parts of the widespread dependent Empire. The majority of these parts, however, require no positive defense efforts or only token forces (for example, the colonies in the Western Hemisphere, the Pacific Islands, Aden).

Some British dependencies, though internally stable and not in immediate jeopardy from aggression, are strategically situated; they must be kept prepared for defense and maintained as air, naval, and/or army bases. In some cases their local economies must be supported by annual grants-in-aid (subsidies). Their installations must be serviced, developed, and manned. Included in this group are Gibraltar, Malta, Cyprus, and Singapore; and Kenya as the site of a large supply depot. The British military investment in each is heavy. They are all important militarily, though for some the degree may fluctuate in relationship to the availability to British forces of Egypt and Cyrenaica (see below).

Two dependencies at present require relatively large commitments. Some 35,000 army troops (including colonial troops) are disposed in Malaya on active operations, together with supporting air and naval forces, to put down insurrection. Some 25,000 troops, including supporting air and naval elements, are disposed at Hong Kong to cope with the Chinese Communist threat to that colony.

* See Appendix for the present disposition of UK forces.

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Britain's treaty obligations (and advantages) are numerous. Some are costly; some only potentially so. Some are overlapping.

(1) *The North Atlantic Treaty (1949).*

By the terms of this pact the UK is committed militarily according to the following terms:

Article V The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area. Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

The explication of Britain's obligations under the NAT is in its initial stages. It may be notable, however, that of the five regional planning groups set up, the UK is a full and permanent member of four—more than any other state. (The US is a permanent member of only two of them at present, though it is associated with each of the other three in a non-member role.)

In this connection, though antedating the NAT organization, the UK has maintained two large military staffs in the US apart from the service attachés. One is known as the Joint Services Mission, reporting to the Ministry of Supply, and the other has been supporting the British element of the Combined Chiefs of Staff.

(2) *Five-Power Treaty of Western Union (Brussels Treaty) (1948).*

Britain is committed militarily according to the following terms:

Article IV If any of the high contracting parties should be the object of an armed

attack in Europe, the other high contracting parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the party so attacked all the military and other aid and assistance in their power.

Under the terms of the Treaty the UK has committed itself to a centralized supreme command, to an integrated staff organization, to the defense of a line east of France and the Benelux countries, to increased production of military equipment, and to other cooperative measures involving equipment, training, and the assumption of the major share of administrative costs of the organization in London and Fontainebleau.

(3) *The United Nations Charter (1945).*

According to the charter the UK is committed militarily under the following articles of Chapter VII:

Article 43 1. All members of the United Nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

2. Such agreement or agreements shall govern the numbers and types of forces, their degree of readiness and general location, and the nature of the facilities and assistance to be provided.

3. The agreement or agreements shall be negotiated as soon as possible on the initiative of the Security Council. They shall be concluded between the Security Council and member states or between the Security Council and groups of member states and shall be subject to ratification by the signatory states in accordance with their constitutional processes.

Article 45 In order to enable the United Nations to take urgent military measures, members shall hold immediately available national air force contingents for combined international enforcement action. The strength and degree of readiness of these contingents and plans for their combined action shall be determined, within the limits laid down in the special agreement or agreements referred to in Article 43, by the Security Council with the assistance of the Military Staff Committee.

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No explication of these articles has yet been agreed on among the concerned powers, though the UK continues to maintain its element of the Military Staff Committee and may be presumed to be prepared to accept a suitable obligation according to the stated terms, if general agreement can be achieved.

(4) *The Anglo-French Treaty of Dunkirk (1947).*

This pact commits the UK and France to take such action as necessary to put an end to any threat to the security of either of them "arising from the adoption by Germany of a policy of aggression or from action by Germany to facilitate such a policy."

(5) *Anglo-Portuguese Treaties.*

There are eight treaties and a Secret Declaration covering a period from 1373 to 1899, the most important being :

(a) The Treaty of 1661, which binds His Majesty to "take the interest of Portugal and all its dominions to heart, defending the same with his utmost power by sea and land, even as England itself," and further to send troops for the purpose and ships also.

Though an annexed Secret Article binds His Majesty to "defend and protect all conquests or colonies belonging to the Crown of Portugal against all his enemies, as well future as present," it is expected that the UK will refuse to defend Portuguese Macao in the event of attack on the latter by the Chinese Communists. A threat to the African or Atlantic Ocean colonies of Portugal would be another matter, however.

(b) The Secret Declaration of 1899 in which both parties confirm the Secret Article of 1661.

(6) *The Anglo-Soviet Treaty of Alliance (1942).*

Britain's military obligations under this treaty are as follows:

Article IV Should either of the high contracting parties during the post-war period become involved in hostilities with Germany (or any of the states associated with her in acts of aggression in Europe), in consequence of the attack of that state against that party, the other high contracting party will at once give to the contracting party so involved in hostilities all military and other support and assistance in his power.

This treaty binds both parties neither to conclude any alliance nor take part in any coalition directed against the other (Article VII), nor to seek territorial aggrandizement or interfere in the internal affairs of other states (Article V). Thus, either the UK or the USSR could at any time make a case for breach of treaty against the other; and the UK Government as recently as July 1948 declared its view that the treaty is "still technically operative." As a practical matter, however, neither this treaty nor the one with Poland (see below) figures in Britain's strategic planning.

(7) *The Anglo-Polish Treaty (1939).*

The UK is committed militarily in the following terms:

Article I Should one of the Contracting Parties become engaged in hostilities with a European Power in consequences of aggression by the latter against that Contracting Party, the other Contracting Party will at once give the Contracting Party engaged in hostilities all the support and assistance in its power.

Article II (1) The provisions of Article I will also apply in the event of any action by a European Power which clearly threatened, directly or indirectly, the independence of one of the Contracting Parties, and was of such a nature that the Party in question considered it vital to resist it with its armed forces.

(2) Should one of the Contracting Parties become engaged in hostilities with a European Power in consequence of action by that Power which threatened the independence or neutrality of another European state in such a way as to constitute a clear menace to the security of that Contracting Party, the provisions of Article I will apply, without prejudice, however, to the rights of the other European State concerned.

(8) *The Anglo-Jordan Treaty (1948).*

In substance this treaty commits the two parties to the following:

(a) Should either party become engaged in war, the other party will immediately come to its aid. In the event of imminent menace of hostilities, the parties will immediately concert together the necessary measures of defense.

(b) In event of either party being engaged in war or menaced by hostilities, each will invite the other to bring to his territory, or ter-

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ritory controlled by him, the necessary forces of all arms.

(c) The King of Jordan will safeguard, maintain, and develop as necessary the airfields, ports, roads, and lines of communication in and across Jordan as may be required for the purposes of this treaty and will call upon the British for any necessary assistance to this end.

(d) The King of Jordan invites the British to maintain units of the Royal Air Force at Amman and Mafrak airfields, and he will provide all necessary facilities. The UK, however, will reimburse the King of Jordan for all expenditures incurred in (c) and (d).

(e) The King of Jordan will afford, on request, all necessary facilities for the movement of UK armed force units across Jordan on the same financial terms applied to his own forces; the King of Jordan will also permit British Navy ships to visit Jordan ports at any time upon notification.

(f) An Anglo-Jordanian Joint Defense Board is set up to formulate agreed strategic plans, to coordinate measures for the implementation of (c) above, to consult on training and equipment, and to consider, if necessary, the location of UK forces at places other than (d) above.

(g) In view of the desirability of identity in training and methods of the Jordan and British forces, the UK:

i. offers appropriate facilities in Britain or its territories for training the armed forces of Jordan;

ii. makes available operational units of its armed forces for joint training;

iii. provides on request any British service personnel required to ensure the efficiency of Jordanian forces;

iv. affords military instruction in British schools for Jordanian officers; provides arms, ammunition, equipment, aircraft, and other war material.

(h) As long as the treaty is in force Britain will, in accordance with arrangements to be agreed upon annually, afford financial assistance to Jordan to enable it to carry out obligations undertaken.

For the British fiscal year ending on 31 March 1950, this financial assistance amounts

to £3.5 million. The ruler of Jordan is a virtual puppet of the British and, in a practical sense, the UK has unlimited military rights there. In conjunction with the Egyptian and Iraqi Treaties (see below) and an anticipated agreement with Cyrenaica, this treaty enables Britain to plan a defense-in-depth of the Suez Canal Zone and to count on uninterrupted land communications from North Africa to at least the border of Iran in case of war.

(9) *The Anglo-Egyptian Treaty (1936).*

In substance this treaty commits the two parties to the following:

(a) Should either party become engaged in war, the other will immediately come to his aid in the capacity of an ally.

(b) The aid of the King of Egypt, in event of imminent menace of war or apprehended international emergency, will consist in furnishing the UK on Egyptian territory all facilities and assistance in his power, including use of ports, aerodromes, and means of communication.

(c) Until such time as the parties agree that the Egyptian Army is in position to protect the Suez Canal, the King of Egypt authorizes the UK to station forces in specified zones around the Canal.

(d) Without prejudice to (a) above, UK troops in the Canal Zone may not exceed 10,000 land forces and 400 pilots together with necessary ancillary personnel for administrative and technical duties. These numbers do not include civilian personnel.

(e) The Egyptians will provide, when necessary, reasonable means of communication and access to and from localities where British forces are situated and will also accord facilities at Port Said and Suez for landing and storage of materials and supplies for British forces, including maintenance of a small detachment of British forces in those ports to handle and guard this material and these supplies in transit.

Though Egypt has denounced this treaty, the UK considers it still in effect and remains hopeful that a new treaty containing terms reasonably satisfactory to British requirements will eventually be concluded when Egypt's postwar xenophobia has died down. It is notable in this connection that Egypt is

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no longer pressing the UK to remove or reduce its forces in Egypt even though their present strength there is about three times that specified in the old treaty as the upper limit. An RAF training mission continues to be active with the Royal Egyptian Air Force.

(10) *The Anglo-Iraqi Treaty (1930, effective 1932).*

In substance the provisions of this treaty are as follows:

(a) Should either party become engaged in war, the other party will immediately come to its aid in the capacity of an ally, and in the event of an imminent menace of war the parties will immediately concert together the necessary measures of defense. The aid of the King of Iraq will consist in furnishing to the UK on Iraq territory all facilities and assistance in his power including the use of railways, rivers, ports, aerodromes, and means of communication.

(b) The King of Iraq will grant the UK sites for air bases at or in the vicinity of Basra (Shaiba) and for an air base to the west of the Euphrates (Habbaniya), and further authorizes the UK to maintain forces on Iraq territory at the above localities. The strength of these forces shall be determined by the UK from time to time after consultation with the King of Iraq.

(c) The UK undertakes to grant, whenever may be required by the King of Iraq, all possible facilities in the following matters, cost of which will be met by the King of Iraq:

- i. naval, military and aeronautical instruction to Iraqi officers in the UK;
- ii. provision of arms, ammunitions, equipment, ships and aeroplanes of latest available pattern for forces of Iraq;
- iii. provision of British naval, military and air force officers to serve in advisory capacity to the forces of Iraq.

(d) In view of the desirability of identity in training and methods between the Iraq and British armies, the King of Iraq undertakes that:

- i. if necessary to have recourse to foreign military instructors, these shall be chosen from amongst British subjects;
- ii. any personnel of his forces sent abroad for military training will be sent to the ter-

ritories of the UK, and only to another country when British facilities are not available;

iii. the armament and essential equipment of his forces shall not differ in type from those of the UK forces.

(11) *The Treaty of Mutual Assistance between Britain, France and Turkey (1939).*

In substance the provisions of this treaty are as follows:

(a) In the event of Turkey being involved in hostilities with a European power because of aggression of that power against Turkey, Britain and France will cooperate effectively with Turkey and will lend it all aid and assistance in their power.

(b) In the event of an act of aggression by a European power leading to war in the Mediterranean area in which France and the UK are involved, Turkey will cooperate effectively with France and the UK and will lend them all aid and assistance in her power. In the event of an act of aggression in the Mediterranean in which Turkey is involved, France and the UK will collaborate effectively with Turkey.

(c) In the event of France and the UK being involved in hostilities with a European power in consequence of aggression committed by that power against those powers in an area other than the Mediterranean, the parties will immediately consult together. Nevertheless, it is agreed that in such eventuality Turkey will observe at least a benevolent neutrality toward France and the UK.

(d) In the event of: i) aggression by a European power against another European state whose government one of the parties had, with the approval of that state, undertaken to assist in maintaining independence or neutrality against such aggression; or ii) aggression by a European power which, while directed against another European state, constituted in the opinion of one of the governments of the parties a menace to its own security, the parties will immediately consult together with a view to such common action as might be considered effective.

(12) *The Anglo-Greek Agreement (1944).*

The presence of British troops in Greece was first formalized by the above agreement. An invitation to the British forces to continue in

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Greece has been reaffirmed by succeeding Greek governments. The UK has maintained a brigade of about 3,000 troops in Greece, though these will have been withdrawn by March 1950. In addition, the British have three service missions, military, air, and naval, engaged in training and re-equipping the Greek armed forces. (The British also maintain a Police and Prisons Mission for training purposes.) Since the American Military Aid to Greece mission began to operate in 1947, the US and UK missions have worked jointly and closely.

(13) *The Treaty of the Trucial Chiefs of Oman (1353).*

This treaty, mediated by the British, established that the UK would watch over and insure the peace agreed to among themselves by the Chiefs of the Arabian Coast, and that, in case of aggression by one of the parties on another, the UK would obtain reparations for the injured party.

(14) *The Anglo-Bahrein Convention (1861).*

By the terms of this agreement between the Sheikh of Bahrein and the British Government the UK agreed to maintain the security of the former's possessions against war, piracy, and slavery on the part of "the Chiefs and tribes of this (the Persian) Gulf," and to obtain reparations for the Sheikh for any such acts. Usage and precedent, however, have established that Britain has expanded its obligations to include the protection of Bahrein from aggressive acts regardless of their source.

(15) *The Anglo-Kuwait Understanding (1914).*

In this understanding, documented by official letter, the British Government recognized the Sheikdom of Kuwait as "an independent Government under British protection."

(16) *The Anglo-Qatar Treaty (1916).*

This treaty provides in substance for the British defense of Qatar against all aggressive actions and the exaction of reparations, unless Qatar itself provoked the aggressive actions.

(17) *The Anglo-Burmese Defense Agreement (1947).*

This agreement provides for:

(a) the evacuation of all British troops

from Burma immediately after Burma becomes independent (January 1948);

(b) the transfer to Burma of airfields, naval vessels, fixed Army and RAF establishments and initial equipment for the Burmese Army;

(c) the establishment of a Naval, Military, and Air Force Mission for instructional and advisory purposes with the condition that the government of Burma will not accept such a mission from any government outside of the British Commonwealth;

(d) a British contribution of financial and technical assistance in maintaining specified airfields;

(e) the extending of all reasonable British facilities for purchase by the government of Burma of war material;

(f) ships of either navy to have the right of entry into ports of the other party upon direct notification between their respective naval authorities on the spot;

(g) military aircraft of either party to have the right, upon customary peacetime direct notification between the respective air authorities, to fly over the territories of the other, and to enjoy staging facilities at airfields agreed upon;

(h) the government of Burma to afford all reasonable assistance including facilities of access and entry into Burma by air, land, and sea, to British forces bringing help and support to Burma by agreement with the government of Burma or to any part of the Commonwealth by agreement with the government of Burma and with the government of that part of the Commonwealth;

(i) the opening of fresh negotiations by either party with the other on any matter within the defense sphere, such negotiations, except by agreement, not to affect obligations under this agreement.

(18) *The Anglo-Ethiopian Agreement (1944).*

This was to be a temporary agreement for the regulation of mutual relations during the remainder of the war, but its replacement by a permanent treaty has been delayed pending the disposition of the Italian colonies. Article VI provides that the UK will make available to Ethiopia a British Military Mission whose head shall be responsible to the Ethiopian

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Minister of War for the organization, training, and administration of the Ethiopian Army. The mission may be withdrawn upon three months' notice by either party.

(19) *Anglo-Siamese Military Relations.*

There is no formal military agreement between Siam and the UK. Britain enjoys, however, especially close relations with Siam and provides special facilities to the Siamese such as the training of Siamese officers in the UK and Malaya, and the provision of arms and supplies. The British Military Attaché in Bangkok serves as military adviser to the Siamese Army. Local agreements have been concluded between Siamese and Malayan authorities permitting the passage of border patrols over the national boundary and providing for exchange of information in efforts to deal with disorders in the Malaya-Siam border area.

(20) *Anglo-Saudi Arabian Military Relations.*

The UK maintains a Military Training Mission in Saudi Arabia. In addition it provides a Civil Air Training Mission, and the RAF has shown interest in surveying the area for airfield sites.

c. Commonwealth and General Defense Policies.

(1) *Commonwealth Policies.*

Britain's Commonwealth and general defense policies contain implied military commitments not expressed in contractual or treaty relations (except in the case of Ceylon*).

* The Anglo-Ceylonese Defense Agreement (1947) provides that (1) the two governments will give each other such military assistance for the security of their territories, for defense against external aggression, and for the protection of essential communications as it may be in their mutual interest to provide; (2) the UK may base such naval and air forces, and maintain such land forces in Ceylon as may be required for these purposes and as may be mutually agreed; (3) the Government of Ceylon will grant the UK all the necessary facilities. . . . These . . . will include the use of naval and air bases and ports and military establishments and the use of telecommunications facilities; (4) the UK will aid in training and development of Ceylonese armed forces; (5) joint administrative machinery will be established to implement this cooperation and to coordinate the defense requirements.

So far as the Commonwealth is concerned, it may be assumed that the UK would participate in the defense of any of the Dominions made the object of aggression by a non-Commonwealth power. Though varying in degree, Dominion by Dominion, the UK's military and strategic relations with the other Commonwealth nations are close. There is interchange of certain intelligence, and in some cases a division of intelligence work. The UK is the source of much of the others' equipment and doctrine, and provides technical and general training facilities and advisory services. Two of Britain's major naval bases, Trincomalee (Ceylon) and Simonstown (South Africa) are leased from the Dominions and maintained by the Royal Navy. Technical control of the Ceylonese forces is practically in British hands; British officers serve in and advise the Indian and the Pakistan forces on contract; New Zealand looks to the UK for technical military guidance. Canada and Australia are on the most intimate military terms with the British forces, and the UK is carrying out joint research and development projects with each. For political reasons, military relations with South Africa are currently less cordial.

Since the war, the UK has encouraged the Dominions to enlarge their armed services and assume greater defense responsibilities, to reduce the size of the burden on itself of the imperial defenses. Britain has to that end freely provided all the indoctrination, advice, and training desired. It has provided all manner of military equipment, often at nominal prices and sometimes without charge. In recent weeks, for example, the UK made a gift of a naval vessel to Ceylon after training an all-Ceylonese crew to man it; British submarines were moved to Sydney, Australia, in order to cooperate with the New Zealand Navy's program to expand its antisubmarine training; an RAF heavy bomber squadron was assigned to participate in the Quetta (Pakistan) Staff College's combined operations exercise.

(2) *General Defense Policies.*

Britain's over-all defense policies also contain implied military commitments, based on the mission of the armed forces, i.e., to insure

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the security of the UK, the dependent empire, and British interests overseas; and to take the leading part in insuring the security of imperial communications. The Middle East, in British thinking, falls within these terms. As the locus of gigantic British investments the Middle East is the source of essential oil supplies, a center of imperial communications, and the sole Eurasian-African land bridge; the British are determined to defend it against aggression by an external power. (The British have encouraged US participation in Middle East defense planning.) Britain's strategic planners subordinate the area only to the home defense zone; they view a Soviet menace to the Middle East as a threat to Britain's national security as dangerous as any similar threat to Western Europe; they consider that the loss of the Middle East would endanger the independence of Pakistan, India, Ceylon, and Southeast Asia and would probably permanently affect the world balance of power between the USSR and the West. The British would, therefore, react vigorously to any threat to this area, regardless of whether a treaty relationship existed requiring action.

Also embedded in Britain's defense policies is the giving of military aid and advice to nations expected to be allies in event of war. It follows from this that the UK has special relations, not always reflected in explicit treaties or general agreements, with the numerous countries which use British Tables of Organization, equipment, and doctrine. Special technical missions to these countries have been fairly frequent, and their specialists attend military schools in the UK. Apart from the Commonwealth, several countries of Western Europe and Scandinavia were the beneficiaries after the war of surplus British equipment, including ships, aircraft, and army supplies. All the countries of the Middle East periodically seek military favors from the UK and minor potentates have for long received politico-military subventions. Siam and Burma are likewise applicants for military favors. Argentina's purchase of British aircraft led to the establishment in Argentina of a technical advisory mission, reportedly on a two-year contract. More countries of the

world are dependent for equipment and spare parts on the UK than on any other power.

d. Occupational Responsibilities.

British forces have occupational missions in Germany, Austria, Trieste, and the Italian colonies. More than 20 percent of the British Army forces are so committed.

(1) *Germany.*

The UK occupies and administers an area of 33,700 square miles in northwest Germany in accordance with the agreement reached by the European Advisory Commission (a body set up at the Moscow Conference of 1943 and originally including representatives of the US, the USSR, and the UK) and approved by the governments in 1945. No limit was set on the numbers of troops, and though the later Potsdam agreement set out the main purposes of the occupation of Germany, it made no provision for its termination.

(2) *Austria.*

The UK occupies and administers the Southern zone of Austria in accordance with the agreement reached by the European Advisory Commission, which in 1945 included France, and approved by the four governments in 1945. No limit was set on the numbers of troops. The termination of the occupation depends on the terms of the Austrian Peace Treaty. Though the treaty is still under negotiation, one agreed article specifies the withdrawal of troops within 90 days after ratification by the occupation governments.

(3) *Trieste.*

The Italian Peace Treaty called for a short-term military occupation of the Free Territory of Trieste until the appointment of a governor under the UN Security Council. The treaty provides that troops in the FTT shall not exceed 5,000 each for the UK, US, and Yugoslavia. When a governor is appointed, these troops shall be at his disposal for a period of 90 days after his assumption of office, after which they will cease to be at his disposal and will be withdrawn within a further period of 45 days, unless the Governor advises the Security Council that some or all of the troops should not be withdrawn, in which case the troops required may remain until not later than 45 days after the Governor has advised

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the Security Council that the troops are no longer needed for internal security.

(4) *The ex-Italian Colonies.*

The UK occupies and administers the ex-Italian colonies—Libya (excepting the province of Fezzan), Eritrea, and Italian Somaliland—by the terms of the Italian Peace Treaty, pending their final disposal according to UN General Assembly decisions. The British will retain their responsibilities in Libya until it becomes an independent power on 1 January 1952; in Italian Somaliland until it reverts to Italy as a trust territory in 1950; and in Eritrea (the disposal of which was postponed by the General Assembly until its 1950 session) at least through next year.

The civil administration of these areas has been a financial burden to the British. They have wished for some time to relinquish their responsibilities in Somaliland, Eritrea, and the Libyan province of Tripolitania. The province of Cyrenaica plays a part in the pattern of Britain's strategic planning for Middle East defense, although it is secondary in importance to the role of Egypt. The British expect to have concluded a satisfactory defense treaty with its ruler when Libya becomes independent, enabling the permanent retention of bases in Cyrenaica. Meanwhile, they have an understanding with the Emir, and already have begun substantial constructional work.

2. The Likelihood of Liquidation as an Answer to Economic Difficulties.

Though the British economy has reached the stage where some reduction in defense spending has become necessary—for political as well as economic reasons—it has not reached a level so critical that early abandonment of overseas military obligations * need be expected. In present circumstances and those likely to obtain at least well into 1950 the UK has no intention of giving up any of

* That in Greece is an exception. The British brigade and large elements of the military training missions there will probably be withdrawn shortly, not primarily for economic reasons but because of the reduction of the Communist threat to Greece's integrity and the assumption of most residual responsibility by the US. Moreover, these troops appear to be destined for another overseas post.

its commitments, and there is no serious demand for other than moderate savings which can be accomplished within the structure of existing overseas military policy.

The Labor Party's present attitude toward defense problems has evolved rapidly during the past few years, leaving far behind pacifism and notions of an effective foreign policy not backed by power. Though small minorities remain to advocate pacifism and withdrawal as a matter of principle, they carry no weight; the early enthusiasm for the reduction of military commitments has largely been replaced by demands for economies through efficiency. The advent of a Conservative Government following the national election next year would signify no important changes in the pattern of Britain's overseas commitments, since there is practically no difference between Laborite and Conservative views on overseas strategy. The Conservative Party, not so subject to division within its ranks, might hold out longer against retrenchment.

Discussions regarding military policies and expenditure are quite general, extending across all political faiths, especially during this present time of increased economic pressure; but they center on better value for fewer pounds, rather than giving up commitments. There appears to be a widespread feeling that the money's worth in terms of operational forces is not being received; criticism is directed against extravagance and ineptitude, or on the weaknesses inherent in the conscription policy. At present, then, the questions raised turn not on withdrawals of forces from overseas (and the reneging on obligations to allies, dependents, and friends) but on scrutinizing more carefully the results obtained for the expenditure of nearly 8 percent of the national income * and 25 percent of the 1949-50 national budget and on cutting down the outlays that yield least.

* Comparable figures are:

For the US 6.7% for fiscal year 1949
 For Australia 5.4% for FY 1948; slightly lower for FY 1949
 For Canada 2.12% for FY 1949; substantially higher for FY 1950, possibly over 3%

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The British Government is at present proposing, as part of its new economic program, to economize on defense expenditures to the extent of some £12,500,000 by 31 March 1950—as against total defense spending likely to be in the neighborhood of £800,000,000 in the current fiscal year—and is holding out the hope that further savings may be possible in the following year. But these savings are expected to accrue from administrative and staff economies. Partly as a result of Conservative criticism of the forces' efficiency the government some months ago initiated a re-examination of the whole military establishment. The economies expected to result in 1950 from this review, however, will flow from alterations in the structure of the services rather than overseas commitments.

Intensified efforts by the armed services to abolish waste, to eliminate duplication and achieve further standardization, to improve administrative efficiency, to cut out or modify unnecessary or marginal activities, and in consequence to effect a slight reduction in manpower requirements and lessen consumption of expendable supplies will enable limited savings. Minor economies in construction and maintenance programs will do likewise. Some steps along these lines are already under way. As a whole, such efforts will suffice to meet the present requirement to economize. The British could conceivably, if need be, retrench even further without actually giving up any commitments; they could selectively reduce their armed strength at home and overseas, cut back works and military production programs somewhat, and retain all their obligations on a less secure basis. The net effect of this action would be to increase the risks inherent in the strategic situation. They could also impose less liberal terms for equipment provided to allies. Moves in these directions would expose the UK to charges of disregarding obligations, and in any case they are not to be expected before April at the earliest.

It cannot be assumed, however, that the British financial position will not eventually deteriorate so far as to make essential a really deep reduction in defense expenditure in order to preserve the national economy. The critical point could possibly be reached as

early as mid-1950. Large savings could be achieved only by the abolition (or a very substantial curtailment) of conscription and a deep cut in the service manpower ceilings, combined with a decrease in overseas commitments and a reduction in the industrial demands of the services.

The abolition or extensive curtailment of the unpopular conscription plan would have much to commend it. Though there is no effective political opposition to conscription, since the Conservatives favor it, numerous responsible critics believe it costly and inefficient. Moreover, the very considerable numbers of regular army troops now engaged in training the draftees could largely be reorganized into operational field forces. Two important objections exist, however, apart from the question of the government's prestige and the attitude of the Conservative Party, which will stop official consideration of abolition until extreme economic urgency requires it: the strong doubt that the manpower needs of the army and air force could be satisfied without conscription, and the consequential major change in Britain's foreign and strategic policies, including the abrogation of certain treaty commitments, particularly those under the Brussels Pact. Direct withdrawal from some of the more expensive overseas commitments, enabling savings in both maintenance and manpower costs, would also involve radical changes in Britain's foreign and strategic policies and a great loss of prestige. It may be assumed that the UK will make every effort to avoid these measures which, besides affecting treaty obligations and undermining present British foreign policy, would reduce (the British believe) the deterrents to Soviet aggressive action and invite the ill will of the US. While it is conceivable that the UK may at some future date be forced to lighten by these means its heavy military burdens—since power, in any case, rests ultimately on an economic foundation—it is likely that the UK would in advance of action consult with the US and other allies.

3. The Method and the Order of Retrenchment and Withdrawal.

It is believed that if economic deterioration ultimately requires the British to make large

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reductions in defense expenditures, beyond the amounts possible through administrative and minor manpower economies, they would undertake to set in train a series of coordinated retrenchment measures. These would include:

(a) *A sharp reduction in the manpower strength of the services.* The intake of conscripts would be decelerated and demobilization speeded up; the conscription plan would be drastically modified.

(b) *Further sharing of overseas commitments or, in some cases, transferring them to other friendly and reliable powers* in order to reduce the British burden and enable forces to be withdrawn; this would intensify the process apparent since the war, which brought the US into Greece, Turkey, and the eastern Mediterranean in general, and gave to Australia Empire responsibilities in Japan.

(c) *Reductions of strength in remaining overseas locations.*

(d) *A cut-back in the military production and works programs* to the extent made possible by the smaller British forces, the postponement of re-equipment programs, and the curtailment of maintenance and development projects at various installations.

The British would aim in their withdrawals, so far as possible, to avoid adversely altering the East-West power situation and creating power vacuums. For reasons of prestige they would in most cases prefer to share rather than transfer commitments. Their order of approach to these withdrawals would be conditioned by the international situation prevailing at the time, the calculated receptivity of the US and the Dominions to taking added responsibilities in various areas, and considerations of British prestige. Assuming, however, that the situation was about as at present, the UK would initially:

(a) *Reduce its forces in Trieste and Austria to token size, and make a substantial cut in*

its forces in Germany. Of the four major overseas theaters containing concentrated British armed strength—Europe, the Middle East, Southeast Asia, and Hong Kong—that in which the function is simply occupational and performed jointly with the US could be cut with least damage to international stability. The presence of US troops would remain a deterrent to the Soviets, though British prestige would suffer considerably.

(b) *Whittle down slightly its forces at other stations,* though probably not in Southeast Asia and Hong Kong. Small reductions would be accomplished in Egypt, Cyrenaica, East Africa, and in other less important stations. The effect of these actions would be, not to give up standing defense commitments, but to lengthen the calculated risks now present in British strategy.

(c) *Economize on the maintenance or development of installations and bases, both at home and overseas.* The construction plans for Kenya and Cyrenaica would be modified; economies would be required in maintenance expenditures at numerous other bases and stations.

Following on, or concurrent with, this series of steps the UK would open conversations with the US, the Commonwealth countries, and possibly other allies looking toward their sharing or assuming certain defense burdens. Australia and New Zealand would be pressed to share in the Malayan and Hong Kong undertakings. The Asian dominions would be encouraged to play an even larger defense role in the Indian Ocean area, and the US might be urged to take up a commitment there, comparable to that on the other side of Suez, including part of the cost of the bases. Some form of subsidy from the US, additional to that in the Mutual Defense Assistance Act, might be sought in support of the maintenance of home and colonial strategic facilities, of military production, and of certain fields of military research and development.

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APPENDIX

BRITISH ARMY AND BRITISH COLONIALS: ESTIMATED DISPOSITION AS OF
1 NOVEMBER

<i>Area</i>	<i>UK Troops</i>	<i>Colonials</i>
United Kingdom	224,000	.....
Germany	57,000	.....
Austria	6,300	.....
Trieste	4,300	.....
Gibraltar	3,100	.....
Malta	1,300	1,500
Greece	4,500	.....
Cyprus	1,700	270
Libya	13,000	2,700
Egypt	25,000	9,000
Sudan and Eritrea	2,000	.....
East Africa	7,300	25,000
West Africa	1,600	13,600
Aden	100	.....
Jordan	1,000	.....
Malaya	16,500	18,800
Ceylon	450	.....
Hong Kong	14,500	2,100
Caribbean	800	700
India	260	330
Pakistan	470	.....
Miscellaneous	3,820	.....
Total	389,000 *	74,000

* Over half are conscripts.

THE ROYAL NAVY: DISPOSITION AS REPORTED ON 1 SEPTEMBER

The British fleet is currently composed of 5 battleships, 6 aircraft-carriers, 6 light aircraft-carriers, 2 heavy cruisers, 24 light cruisers, 115 destroyers, 63 submarines, and 172 escorts. Although some of these are maintained at reduced operational status, the following are ready to fight:

Home Waters	3 battleships
	2 aircraft-carriers
	2 light aircraft-carriers
	3 light cruisers
	31 destroyers
	22 submarines
	18 escorts
Mediterranean	4 light cruisers
	15 destroyers
	7 submarines
	8 escorts
South Atlantic	1 light cruiser
	2 escorts
North Atlantic and West Indies	1 light cruiser
	1 submarine
	2 escorts
East Indies	2 light cruisers
	3 escorts
Pacific	2 light aircraft-carriers
	1 heavy cruiser
	2 light cruisers
	5 escorts
	4 destroyers

A few destroyers and escorts are held in reserve on overseas stations; otherwise the bulk of the non-operational ships are based on UK ports.

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THE ROYAL AIR FORCE: DISPOSITION AS REPORTED ON 1 NOVEMBER 1949

Home Based *	Medium Bomber Squadrons	22
	Light Bomber Squadrons	2
	Day Fighter Squadrons	18
	Night Fighter Squadrons	6
	General Reconnaissance Squadrons	5
	Photo Reconnaissance Squadrons	4
	Transport Squadrons	15
	Meteorological Squadrons	{ 1 Northern Ireland 1 Gibraltar
Germany	Fighter Squadrons	3
	Fighter/Photo Recce Squadrons	1
	Light Bomber Squadrons *	4
Middle East Air Force:	Fighter Squadrons **	5 Egypt
	Fighter Squadrons	1 Cyprus
	Fighter Squadrons	1 Malta
	Light Bomber Squadrons *	1 Aden
	Light Bomber Squadrons *	1 Iraq
	General Recce Squadrons *	2 Malta
	Photo Recce Squadrons *	1 Egypt
	Transport Squadrons *	5 Egypt
Far East Air Force:	Fighter Squadrons	2 Hong Kong
	Fighter Squadrons	2 Malaya
	Light Bomber Squadrons *	1 Malaya
	General Recce Squadrons *	1 Hong Kong
	General Recce Squadrons *	2 Malaya
	Photo Recce Squadron *	1 Malaya
	Transport Squadrons *	3 Malaya

* Half strength (all home based units are maintained at half strength).

** One squadron is half strength.

SUB TOTAL OF TACTICAL UNITS IN THE UK

	<i>Medium Bomber</i>	<i>Light Bomber</i>	<i>Fighter</i>	<i>Recon- naissance</i>	<i>Trans- port</i>	<i>Liaison</i>	<i>Total</i>
Tactical units	22	2	24	11	15	2 Flts	74+2 Flts
Aircraft in tactical units	144	16	197	95	120	10	582

SUB TOTAL OF TACTICAL UNITS OUTSIDE UK

	<i>Medium Bomber</i>	<i>Light Bomber</i>	<i>Fighter</i>	<i>Recon- naissance</i>	<i>Trans- port</i>	<i>Liaison</i>	<i>Total</i>
Tactical units		7	14½	7½ + 1 Flt	8	8 Flts	37+9 Flts
Aircraft in tactical units		46	218	60	64	41	429

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ROYAL NAVAL AVIATION: DISPOSITION AS REPORTED ON 1 OCTOBER 1949

Home Based	Fighter Squadrons	4
	Attack Squadrons	4
Mediterranean	Fighter Squadrons	1 Malta
	Attack Squadrons	1 Malta
Pacific	Fighter Squadrons	1 Hong Kong
	Attack Squadrons	1 Hong Kong

ROYAL NAVAL AIRCRAFT STRENGTH AND TYPES

	<i>Attack</i>	<i>Fighter</i>	<i>Recon- naissance</i>	<i>Liaison</i>	<i>Train- ing</i>	<i>Misc.</i>	<i>Total</i>
Number in tactical units	72	74					146
Total number of aircraft	838	788	81	24	519	65	2,315

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