

TOP SECRET
SECURITY INFORMATION

NATIONAL INTELLIGENCE ESTIMATE

**SWEDEN'S POSITION IN THE
EAST-WEST CONFLICT**



NIE - 49

Published 26 March 1952

DOCUMENT NO. 1
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S © 1991
NEXT REVIEW DATE: 1991
AUTH: HR 70-2
DATE: 3/16/81 REVIEWER: 009256

CENTRAL INTELLIGENCE AGENCY

TOP SECRET

WARNING

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C., 31 and 32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

0000387

001047509

TOP SECRET

DISSEMINATION NOTICE

1. This copy of this publication is for the information and use of the recipient designated on the front cover and of individuals under the jurisdiction of the recipient's office who require the information for the performance of their official duties. Further dissemination elsewhere in the department to other offices which require the information for the performance of official duties may be authorized by the following:

- a. Special Assistant to the Secretary of State for Intelligence, for the Department of State
- b. Assistant Chief of Staff, G-2, for the Department of the Army
- c. Director of Naval Intelligence, for the Department of the Navy
- d. Director of Intelligence, USAF, for the Department of the Air Force
- e. Assistant to the Director, FBI, for the Federal Bureau of Investigation
- f. Director of Intelligence, AEC, for the Atomic Energy Commission
- g. Deputy Director for Intelligence, Joint Staff, for the Joint Staff
- h. Assistant Director for Collection and Dissemination, CIA, for any other Department or Agency

2. This copy may be either retained or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Collection and Dissemination, CIA.

DISTRIBUTION:

Office of the President
National Security Council
National Security Resources Board
Department of State
Office of Secretary of Defense
Department of the Army
Department of the Navy
Department of the Air Force
Atomic Energy Commission
Joint Chiefs of Staff
Federal Bureau of Investigation
Research and Development Board
Munitions Board

TOP SECRET

TOP SECRET
SECURITY INFORMATION

NATIONAL INTELLIGENCE ESTIMATE

SWEDEN'S POSITION IN THE
EAST-WEST CONFLICT

NIE - 49

The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the Central Intelligence Agency in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 20 March 1952.

TOP SECRET

TOP SECRET

SWEDEN'S POSITION IN THE EAST-WEST CONFLICT

THE PROBLEM

To assess: (a) Sweden's strategic importance; (b) its present policy in the East-West conflict; (c) the possibilities of a change in this policy; and (d) the consequences of Sweden's position to the NATO powers and the USSR.

CONCLUSIONS

1. Sweden's location, natural and industrial resources, and considerable military potential give it substantial strategic importance to both NATO and the USSR. Of chief importance is Sweden's potential role in the defense of Scandinavia, particularly Norway. Moreover, its position, which flanks the Baltic and North Germany, would be valuable either to the USSR or the NATO powers for air bases, early warning facilities, and other military installations.
2. The Swedish armed forces are at present capable only of fighting delaying actions against a major Soviet attack. On the other hand, Sweden's already sizeable military potential and resources provide the base for a marked expansion in Swedish military capabilities, perhaps to the point where, in coordination with the NATO Northern Command forces, they could successfully defend large areas of Scandinavia.
3. Despite its pro-Western and anti-Communist outlook, Sweden will almost certainly cling to its "alliance-free" policy as long as possible, even in event of war.
4. In the event of a Soviet move against Finland, Sweden would very likely enlarge its own defense preparations, might enter into exploratory military conversations with the West, and would re-examine its neutrality policy. However, only if Sweden were convinced that the Soviet move into Finland was merely a springboard for an early invasion of Sweden or Norway, would it probably enter into limited defense arrangements with the West.
5. However, Sweden might join the NATO powers in the event of a Soviet attack on Norway, if the Swedes thought that NATO was capable of extending immediate large-scale assistance. Moreover, Sweden would certainly fight if attacked.
6. The chief unfavorable consequence to the West of Sweden's "alliance-free" policy is that it severely hampers the development of Scandinavian defenses against a Soviet attack. On the other hand, Swedish adherence to NATO under present circumstances would increase international tensions and might lead the USSR to reduce Finland to Satellite status.
7. In event of war in circumstances substantially as at present, we believe that the USSR would seek to by-pass Sweden

TOP SECRET

1

TOP SECRET

2

in its invasion of Norway.* However, as NATO capabilities to defend Norway increase the likelihood of a Soviet attack on Sweden would also increase.

8. If Sweden remained neutral while the USSR occupied Norway and Denmark, Sweden would be effectively isolated from the West. Its valuable trade with the West would be cut off and it would be forced, under Soviet economic pressure, to

make an important contribution to the Soviet war economy.

9. Despite its neutrality, Sweden probably would not actively resist the overflight of Western aircraft, although it would officially protest. Sweden would more actively defend its neutrality against Soviet overflights, while attempting to avoid serious complications with the USSR.

DISCUSSION

Sweden's Strategic Importance

10. *Geographic.* The Scandinavian peninsula, of which Sweden forms the greater part, lies across the most direct air approaches to Western USSR from air bases in North America, Greenland, Iceland, and the UK, or from carriers in the Norwegian Sea. Conversely, it lies athwart the air path from Soviet bases in the Moscow area to most of the UK, Greenland, Iceland, and North America. It could provide air bases, early warning facilities, and other military installations to either the USSR or the Western allies. It also occupies a strategic position with respect to control of the Baltic and its entrance. Moreover, Sweden lies across the logistically preferable routes of Soviet advance toward the valuable air and naval base sites along the Norwegian coast. Finally, Sweden flanks the North German plain, the chief military route across Western Europe, and if held securely by the NATO powers, could be used as a base from which to threaten Soviet lines of communication across Germany and Poland and through the Baltic, as well as the Soviet Baltic flank.

11. *Political, Economic, and Scientific.* Sweden is a stable, politically mature democracy of about seven million people. Its present So-

*The Assistant Chief of Staff, G-2, Intelligence, Department of the Army, would change this sentence to read: "In event of war in circumstances substantially as at present, we believe, on balance, that the USSR would by-pass Sweden in its invasion of Norway."

cial Democratic-Agrarian coalition government enjoys solid popular support. Sweden has only a small Communist party, numbering an estimated 27,000, which has been declining in strength.

12. As one of the most highly industrialized nations in the world, Sweden is an important producer of ships, ball and roller bearings, industrial machinery, engines and turbines, electrical apparatus, steel, armaments, and numerous other manufactures, as well as high quality iron ore. The Swedish Bofors firm designs and produces excellent naval and anti-aircraft guns. Sweden's aircraft industry is capable of producing modern jet fighters to replace current piston engine types and of supporting the Swedish air force at its present strength. Its marine engineering and aeronautical installations are capable of extensive research and development work. Sweden's basic scientific and technological research is excellent in a number of fields. Its scientists rank with the world's best in ferrous metallurgy and medicine, for example, and it expects to have a small underground atomic pile operating in 1953.

13. Some 92-93 percent of Swedish trade is with the West, the UK and West Germany being Sweden's largest customers. Sweden's large exports of iron ore, lumber, pulp and paper, bearings, machinery, and ships, etc., make an important contribution to Western European economic strength. For example, about 11 percent of the free world's iron is de-

TOP SECRET

TOP SECRET

3

rived from Swedish ore. The West German and UK steel industries are particularly dependent upon Swedish ore imports, which account for perhaps 42 percent of West German and 23 percent of UK iron ore consumption.

14. Although trade with the Soviet Bloc is of more importance to Sweden than to most other Western European countries, it accounts for only 7-8 percent of total Swedish trade. It consists chiefly of an exchange of iron ore, ball and roller bearings, and machinery for coal and some mineral ores. This trade has been declining steadily over recent years, and under Western pressure Sweden has adopted East-West trade controls comparable to those of the European NATO countries. It sells no munitions to the Soviet Bloc and only surrenders strategic goods, such as iron ore and ball bearings, where necessary to obtain such essential imports as Polish coal.

15. However, Sweden's dependence on foreign sources for two-thirds of its raw materials and practically all of its coal, coke, and petroleum products renders its economy critically vulnerable to external pressures. Any major interference with the flow of imports such as would occur in wartime would inevitably have serious disruptive effects on the Swedish economy.

16. *Armed Forces.* Sweden is slowly modernizing its 75,000-man armed forces. These forces are the largest and best in Scandinavia, although far less than Sweden's resources can support. While the forthcoming defense budget will probably be considerably above that of the present fiscal year, Sweden will still be spending only about 5 percent of its gross national product for defense. It is building modern jet aircraft (and buying others from the UK), enlarging and modernizing its fleet, and expanding ground force training. However, the armed forces suffer from serious weaknesses which would sharply limit their capabilities in time of war. The quality of Swedish manpower and basic training is excellent, but the armed forces are lacking in combat experience and in staff and command training for large-scale operations. Serious logistic deficiencies also exist.

17. Sweden's army of 50,000 comprises only 15,000 regulars, although mobilizable army manpower totals some 675,000 men, most of them semi-trained. The 9-10 month conscription period is inadequate by NATO standards. Many items of modern equipment, such as tanks, heavy artillery, and electronic equipment are obsolete, in short supply, or completely lacking.

18. Sweden's navy is a well-rounded combat force designed for coastal defense. It is noteworthy for high standards of seamanship, materiel maintenance, and discipline, but its effectiveness against attack by a major power like the USSR, would be strictly limited to harassing and delaying tactics and escort operations. The USSR could rapidly neutralize Swedish sea power in the Baltic. The principal effective Swedish naval units are two modern anti-aircraft cruisers, twelve destroyers, four coastal destroyers, two fast anti-submarine frigates, twenty-one submarines, and twenty-one motor torpedo boats. Anti-aircraft artillery is excellent and the mine warfare force is apparently well developed. Although the navy is weak in modern equipment, a new construction and modernization program is in progress. For example, all submarines are scheduled to be fitted with radar, sonar, and snorkels by the end of 1952.

19. The Air Force, second strongest in Western Europe, is considered by Sweden to be its first line of defense. It has 1,685 aircraft (1,095 of them in operational units), of which 378 are jets. Of Sweden's 62 airfields, six can now sustain jet fighter or medium bomber operations, four more can sustain jet fighters and be developed for bombers, and a further ten can support limited jet fighter operations. Sweden's air defenses have been greatly improved

but the air force's equipment is inferior to that of the USSR, and it suffers from critical logistic deficiencies, particularly fuel.

20. In the light of their military weaknesses, the Swedish forces are presently capable only of fighting delaying actions against a major Soviet attack. The duration of their defensive

25X6

25X6

TOP SECRET

TOP SECRET

4

effort would depend upon whether they had sufficient time to mobilize and upon the receipt of substantial outside support. On the other hand, Sweden's already sizeable military potential and resources provide the base for a marked expansion in Swedish military capabilities, perhaps to the point where, in coordination with the NATO Northern Command forces, they could successfully defend large areas of Scandinavia. Such a build-up of Swedish defenses, however, would require outside assistance.

21. *Sweden's role in Scandinavian defense.* The ultimate test of Sweden's strategic importance to the USSR and the NATO powers lies in its potential role in the defense of the Scandinavian peninsula in event of war. Should war come, the chief objective of both sides would probably be to control the valuable air and naval bases and radar sites along the Norwegian coast. Sweden, because of its strategic location and sizeable armed forces, might well be of critical importance to Norway's defense. While Sweden's strategic importance to the NATO powers is primarily defensive, once these powers were strong enough to defend the Scandinavian peninsula (and perhaps Denmark), Sweden would have potential value as a base for offensive air and perhaps eventually naval and amphibious operations against the Soviet Baltic flank. The logistical difficulties of supplying NATO forces in Sweden in the face of probable Soviet local air superiority in the Baltic area would doubtless limit NATO use of bases in Sweden itself, but the valuable Norwegian coastal bases could be protected and Soviet egress from the Baltic made more hazardous.

Sweden's Present Policy in the East-West Conflict

22. The Swedish people and government remain firmly attached to their policy of "freedom from military alliances." To the Swedish public, which overwhelmingly supports the "no-alliance" policy, the most persuasive argument in its behalf is the peace that the country has enjoyed for approximately 150 years. The Swedes are cognizant of the So-

viet threat to Swedish security, and a majority of them are convinced that involvement in a future war is inevitable. At the same time, they maintain their armed forces at a level which they hope will deter an invasion. Moreover, they see no immediately persuasive alternative to their current "alliance-free" policy. They are under no delusion that they could withstand a Soviet attack without Western support, but they are confident that, regardless of their non-membership in NATO, the Western Powers would attempt to come to their assistance in event of Soviet attack.

23. While all four non-Communist parties support in principle the "alliance-free" policy* the leaders of the Liberal and Conservative opposition parties have criticized the implementation of the policy by the Social Democratic-Agrarian Government as being too rigid, doctrinaire, and lacking in foresight. They contend that at a minimum Sweden should undertake technical military planning with Denmark and Norway, in order to facilitate Western aid to Sweden in event of war. They also profess great concern over the impact of Sweden's official "alliance-free" policy on Western opinion. A small but vocal minority led by some of the Liberal party press, including Sweden's largest daily, has gone further and attacked this policy, arguing that better security would be found in affiliation with NATO. A number of high-ranking Swedish military officers apparently share this view, which, however, has not at this juncture gained any appreciable public or political support.

24. Despite their official "alliance-free" policy, both the Swedish Government and people are pro-Western and anti-Communist. The Swedish people have a deep-seated fear and distrust of the USSR. This distrust is based largely on a long history of wars with Tsarist Russia, which was Sweden's traditional enemy, but it has been strengthened in the post-war period by the USSR's aggressive international policies, incessant Soviet attacks on

* Sweden's small Communist party, while not objecting to neutrality as such, professes to regard it as a fraud, alleging that Swedish foreign policy is actually pro-Western and non-neutral.

TOP SECRET

TOP SECRET

5

Sweden's grants of asylum to political refugees, and the recent disclosures of Soviet espionage in Sweden. Swedish relations with the Soviet Bloc, especially with Poland, have worsened over the past year.

25. Sweden's sympathies, as well as its major economic interests, are with the Western countries, particularly the US and UK. Despite reservations over certain aspects of American foreign policy, there is a friendly feeling for the American people. Swedish policy has become more overtly Western in its emphasis since the conflict in Korea, and particularly since over-all NATO defensive capabilities have begun to grow.

26. If Sweden itself were attacked by the USSR, we believe that it would resist with all its resources. Public opinion polls have indicated that 75 percent of the Swedish people are determined to resist Soviet attack, while only 7 percent favor non-resistance. If Sweden were invaded and occupied, remnants of the Swedish forces would flee to Allied territory, and the Swedes would almost certainly attempt guerrilla warfare and sabotage operations.

Possibilities of a Change in Swedish Policy

27. *During the Cold War.* Despite its pro-Western and anti-Communist outlook, Sweden is unlikely to change its formal "alliance-free" policy during peacetime, and will firmly resist pressure in this direction. Sweden would be particularly resistant to Soviet threats, although such threats might lead the Swedes to take a more cautious approach in their relations with the West. Sweden might be forced to make further limited economic concessions to the Soviet Bloc in response to such economic warfare measures as a threat to deny it Polish coal. It would not yield, however, to Soviet pressures to alter its foreign or military policies.

28. On the other hand, the Swedes apparently believe that the advantages of joining NATO would be outweighed by the definite increase in international tension and the possibility of retaliatory Soviet action against Finland. Moreover, most Swedes, relatively satisfied

with the state of their own defenses, have not been greatly impressed to date with NATO military assistance to Norway and Denmark.

30. Although opposition leaders have contended that the disappearance of Finland as a buffer for Sweden would necessitate reconsideration of Sweden's policy, we do not believe that Sweden would join NATO even if the USSR occupied Finland. A recent public opinion poll indicates that only 26 percent of the people would favor a departure from neutrality in this event. The Swedish Government's initial reaction would probably not be determined so much by the reduction of Finland to Satellite status as by its assessment of what the next Soviet step would be. If it were convinced that Finland was merely a springboard for an early Soviet military move into Sweden, Sweden would almost certainly make overtures to the West for some form of military ties. On the other hand, if Sweden believed the USSR intended to move no further than Finland, it would almost certainly not make any immediate overt change in its "no-alliance" policy. Sweden would almost certainly expand its own defense preparations, however, and would probably be more willing to step up covert military talks with various Western Powers. Moreover, the progressive build-up of a Soviet military threat from nearby Finland, and the influx of Finnish refugees, would almost certainly increase public hostility to the USSR and therefore would gradually make the Swedish Government more willing to engage in some form of military cooperation with the West.

25X1C

TOP SECRET

TOP SECRET