

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

26 April 1956

INTERNAL O/NE ONLY

STAFF MEMORANDUM NO. 33-56

SUBJECT: Views of Max Millikan on NIE 100-3-56: Sino-Soviet Policy
and Its Probable Effects in Underdeveloped Areas

1. On 20 April we sent a copy of the Board-approved draft of NIE 100-3-56 to Max Millikan, noting that final IAC action would occur before his views were received but expressing the desire to obtain his views nonetheless. We have now received his comments (attached) which I feel are of sufficient general and continuing interest to circulate to the Board, and possibly to pass on to the DCI.

2. I believe that in his comments, Max has overplayed the limitations of writing an estimate on this subject which makes sense without including in it a detailed appraisal of US policy. It seems to me that many of the points Max wishes to make explicit are implicit in the paper and that no one could fail to get the point that the content of the current Bloc tactics is conditioned, to some degree, by "our emphasis on pacts and alliances, our insistence that those not with us are against us, etc." Nor could they fail to understand that future effects of Bloc tactics will depend, in large measure, on US courses of action.

3. Max does raise a point concerning the dilemma confronting the Soviet leadership in making any contribution to the economic and political stability of the bourgeois regimes in the underdeveloped areas which has bothered me for some time. Some such view as that expressed in the imagined Molotov address to the Presidium (attached) may still exist in Moscow. If this is so, it may serve to limit the extent of "dis-interested" Soviet aid and to hasten a return to more familiar tactics.


J. C. GRAHAM

Attachments

- a) Letter from Max Millikan
- b) Imaginary statement by Molotov
written by W. Rostow

~~SECRET~~

e
o
p
y
MASSACHUSETTS INSTITUTE OF TECHNOLOGY
Center for International Studies
50 Memorial Drive
Cambridge 39, Massachusetts

April 25, 1956

Mr. James Graham
CME

Dear Jim:

I have read with great interest the draft of NIE 100-3-56. I have scribbled a number of detailed reactions in the margins, but I have several major matters of emphasis I would like to suggest.

1. First, this seems to me almost a classic case of the difficulty of writing an estimate which makes any sense without including in it a detailed appraisal of U. S. policy. To talk about the character, the probable consequences, and the chances of success of a competitive race between two major powers in a third area without saying anything about the nature of the policies of one of the competitors seems to me to be just hopeless. It is little short of ridiculous to try to say what the effects of the Soviet campaign of economic and political penetration may be without explicitly considering the range of U. S. policies in the light of which these Soviet policies are designed. I feel this so strongly that if there were any possibility of doing so I would urge you most solemnly to try in this case to have recognized the importance of an explicit exception to the usual estimates procedure.

2. One reason for this has to do with one's estimate of the factors leading the Soviets to undertake this campaign. This is surely a strictly intelligence problem. I am convinced, however, that it is the particular character of U. S. policy over the last few years more than any other single factor which has lead the Soviets to believe, in spite of the very real dangers and uncertainties for them of the tactic they are now pursuing, that this was something worth trying. In this connection I feel you do not make anything like clear enough the nature of the dilemma which must have confronted the Soviet leadership when they adopted this policy. In any long-run sense the development of genuinely independent neutral states is very much more to our advantage than to theirs. To strengthen by economic assistance and political recognition the bourgeois

~~SECRET~~

SECRET

regimes in many of the presently underdeveloped countries, several of them fiercely dedicated to the extermination of their local Communist parties, involves real dangers for the Soviets. Unless the United States and the other Western powers pursue quite stupid policies, the chances of the Soviets being able to bring about additions to the membership of the bloc, new Communist regimes, or military or political allies willing to take instructions are quite small.

What then has persuaded the Soviets that this was a sensible course to follow? One factor has no doubt been the relative failure to date of their traditional reliance on support of revolutionary, explicitly Communist parties. A major factor must have been, however, their estimate that our emphasis on pacts and alliances, our insistence that those not with us are against us, and the growing image of the United States as aggressive and militaristic provided a golden opportunity for them to make short-run political and psychological capital out of the sort of line they are now following. The objectives they hope to gain by this I would guess are short-run rather than long-run objectives. They are an increase of anti-American feelings and a consequent increase in the resistance of third countries to participate in our military arrangements. Perhaps the most important single aspect of this not mentioned, I think, in the estimate is the Soviet hop that they can secure the denial of many foreign areas to us for use as bases. They probably hope to embarrass us in the U. N. and to make collective Western action in areas like Viet Nam, Korea, and Germany most difficult.

They also may have real hopes, perhaps inadequately treated in your estimate, of developing take-over potential by the popular front route. This looks very unpromising in countries like India and Burma but not all hopeless in Indonesia, Ceylon, etc.

Their capacity to exploit this situation and set of attitudes will depend very largely on what sort of policies we pursue. Should we reverse our field, come out strongly in support of neutralism and independence, support development programs on a much more imaginative scale without political strings, and invite the Soviets to participate in a joint program for economic aid, it seems quite possible that the Soviets would re-examine their whole tactic. Because I do not regard such a change of U.S. policy as wholly out of the question, I have some doubts about your statement on page 2 that "The conditions on which Communist policies are now based will not change in the foreseeable future." I enclose, in further elaboration of our conception of the Soviet dilemma, an imaginary memorandum from Mr. Molotov to his Presidium Colleagues which should make this dilemma clearer.

- 2 -

SECRET

SECRET

As you know, I am as fully aware as anyone of the limits on discussions of U.S. policy in intelligence estimates. This does seem to me to be a case, however, in which a strictly intelligence appraisal may be grossly misleading if it does not indicate those elements in Western policy which may well have been responsible for the whole choice of tactic and design of campaign by the other side. I repeat, in my view the present Soviet campaign in the underdeveloped areas is much more largely a reaction to and an exploitation of our own policies there than this estimate suggests.

3. One other quite different point. I think the Soviets are not unaware of the extent to which, in spite of their campaign of sweetness and light, there are still many in the underdeveloped areas whose attitudes and actions will be influenced much more by who they think will win any conflict if it occurs, that is by who represents the wave of the future than by talk of peace and disarmament. I believe the explosion of the hydrogen bomb in Russia may well have been purposely timed to coincide with the Bulganin-Khrushchev visit to India. I do not think Mr. Khrushchev's comments in England about Soviet missile development were either an unguarded expression of pique at his cool reception there or an attempt to destroy the British case for strategic trade controls. They along with many other quiet but persistent Soviet comments are designed to exploit the ambivalence in many Asian and African minds between wanting peace and wanting to be on the winning side. I have spelled out my view of this double-edged Soviet tactic at slightly greater length in a statement I prepared for the Special Senate Subcommittee on Disarmament which held some hearings here recently. I enclose a copy.

I hope we can perhaps get together at the next Princeton session to explore these matters at greater length.

Best regards.

Sincerely,

Max F. Millikan
Director

SECRET

Y
P
C

TO: My Presidium Colleagues

FROM: V. Molotov (Walt Rostow)

Now that the Twentieth Party Congress is over I wish to warn my colleagues of the danger that confronts us, as a result of our actions. I speak freely because, as is well known, I accepted the collective decision, denounced my own previously stated views, and joined in an effort which, I cannot conceal from you, I still regard as right-wing adventurism.

Let me recall the arguments we have had over the past few years and which came to a head before the Congress.

Certain of our Comrades took the following view:

1. In prolonged reaction to the Korean War the United States was devoting its efforts overwhelmingly to developing a ring of military pacts.
2. These pacts were unpopular as well as ineffective. The peoples of the countries concerned wanted peace, economic development, and increased national development and stature.
3. Therefore, it was time to make serious movements to associate ourselves with these emotional sentiments and outflank the Americans.

I led those--numbering I may say the more experienced among us in these matters--who took a contrary view. We held the following position:

1. The tactics proposed would strengthen existing bourgeois governments, give these nations time to organize themselves, and promote a protracted stage of bourgeois development.
2. The influence we would gain by such tactics would be superficial and could not be translated into a serious acquisition of Communist power.
3. The necessary Popular Front tactic within these countries would make impossible the development of infiltration and guerrilla tactics which alone promise success in these regions.

SECRET

SECRET

4. We could be drawn into economically costly competition, at a time when our resources are badly needed for military and economic purposes within the Soviet Union.

The only hope that could be offered was that without American assistance, these countries, with their silly bourgeois methods, would fail in their economic plans and turn to us.

I repeat that we regarded the proposed tactics as a denial of every lesson of our collegial experience, from Lenin's October victory to our diplomatic triumph at Geneva in 1954 in the matter of Indo-China. Our movement has never before confused the superficial symptoms of power and influence with its substance. In the end, power is a matter of physical control; and the proposed policy in no way promises physical control. On the contrary, it makes more difficult the problem of acquiring physical control.

As you well know, no one of those advocating the proposed policy was able to explain to us how we move from economic pacts and flowers around the necks of our colleagues to the serious acquisition of power. But our clever and flexible colleague Mikoyan settled the matter with his two famous propositions:

1. What is bad for the United States is good for the Soviet Union;
2. Mikoyan can make a profit out of Soviet economic aid.

These two superficial, I might say almost cosmopolitan concepts settled the matter; and we all went in together to enunciate the doctrines of the Twentieth Congress: prolonged coexistence, popular front, and all the rest.

Why do I now return to these painful matters, having accepted manfully the collective decision? I do so because now I believe we shall see the Americans spring the trap upon us. We are now deeply committed to these high-flown positions and policies. Every day we pursue them, we strengthen in some measure non-Communist governments over whom we have no real control. As long as the Americans continue their present policies we can no doubt influence these governments to act in our interest. But are the Americans committed to their silly concentration on military pacts? Are their ruling circles (who can blame changes on such absurd excuses as elections and a mercurial public opinion)--I ask you-- are their ruling circles incapable of changing their economic foreign policy?

SECRET

And if they do, what reliable controls do we have over these Asian and Middle Eastern governments to insure that, once strengthened, they will not again switch their allegiance to the American Bloc?

We have known all along that the margin of success or failure in the Indian Second Five Year Plan was a matter of a few billion dollars in foreign exchange. This news excited even some of our colleagues. You recall it was only with the greatest effort that I managed to persuade some of our colleagues from making that Plan a great success for Nehru by lending him this money. But do you think the Americans, having feigned stupidity in this matter, are incapable of making the offer now, after we are committed to this right-wing adventurism? The money means little to them; and if they prolong the automobile boom in the United States by borrowing on the 1957 model, as that great expert on American capitalism, Mikoyan, was telling us, they will need to make foreign loans next year to keep full employment.

And so also in Indonesia, Burma, Pakistan, and--mark my words--in the Middle East as well.

We are playing with bourgeois tricks, Comrades; and we will get burned. We have been lead into a trap. The Americans will soon be coming with money and technicians and missionary interest in these wretched areas; and the people there will be glad to see them back. India will be getting Goa with American support and with all the more credit because of Dulles' cleverness. We shall soon have to return to the true principles of Lenin and Stalin--yes I say Stalin--and we had better begin to think about what is then to be done.

February 29, 1956

50X1

- 3 -

SECRET