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File with  
Speech to  
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Clegg

Introduction

1. I would like to discuss the world situation with you this morning.

One of my major responsibilities to the President and the National Security Council is to keep them informed of current developments affecting US policies and the US world position. It is equally important that the leaders and policy-makers appreciate the meaning of these current developments and that they be made aware of the less dramatic developments which nevertheless add up to be significant trends.

2. For example, while we may be -- and I must say we often are -- devoting much time and attention to pressing problems in the Middle East or in the Gaza strip, other things not so easily apparent are happening elsewhere. Unannounced to the world, the Russians are developing new weapons and possibly whole new weapons systems; the African peoples are rapidly emerging from backwardness and demanding a greater role in governing themselves and planning their own destiny. Such developments as these could have as great an impact upon our lives as the question of administration of the Gaza strip.

3. It is the practice of the intelligence organizations to produce periodically an Estimate of the World Situation. It is the responsibility of CIA to prepare this estimate in consultation with the other intelligence agencies. It is my responsibility to submit this estimate to the National Security Council. But my work does not stop there. I brief the Council regularly on current

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developments and, whenever necessary and appropriate, I inform the council of the way in which these developments affect the world situation generally.

4. I should like to make one point very clearly. An intelligence estimate of the world situation is quite a different thing from a commander's estimate of the situation. We do not "war-game" world politics. We do not recommend courses of action to deal with situations in the world, nor do we try to assess how our policy or our strength measure up to that of the USSR.

5. On the other hand, we cannot ignore our policy or our strength. For example, we must estimate how likely it is that the USSR might go to war in a given situation. Naturally how the Kremlin estimates our strength is a factor in their decision and therefore in our estimate. But we do not try to estimate how such a test of military strength would come out.

6. Let us say, then, that an estimate of the world situation is an analysis of the major trends developing in the world. It is an analysis of how these trends affect each other. We try to project these trends into the future as far as our information and our judgment will permit. We hope, that by so doing, we will give to the policy-maker an understanding of the things with which he is confronted and will be confronted in the months and years ahead.

#### The Big Picture

7. With these thoughts in mind, let us turn to the world situation as we see it. The first general observation I should like to make is that there

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are great changes going on in the world. This last year has witnessed more significant changes than I can recall for some years past. There was great instability and uncertainty in the world at the close of the Second World War and that instability persisted for several years. But about 1948 a kind of unhappy stabilization developed in the world; the world clearly divided into two camps, and a cold war, punctuated by a series of hot wars in various places, took over. This was not a stable situation in any real sense, but at least the main parties to the cold war were clearly identifiable. There were the USSR, Communist China, and the Satellites on one side, and the US and its NATO allies on the other. Most of the rest of the world was either friendly to the US and its NATO allies, or under occupational or colonial control.

8. There were many changes brewing and festering during the years since 1948. Some of these changes we saw; some of the ferment we knew about and recognized; some we did not fully appreciate. But in recent years and particularly in 1956 it has become apparent that some major changes had in fact occurred or were occurring. What are these changes? They could be described or enumerated in any number of ways. I should like to describe them as follows:

First: The deterrents to general war have increased, but the opportunities for war through miscalculation have also increased.

Second: There has been a major upheaval in the Communist world.

Third: The Western alliance has been weakened.

Fourth: The underdeveloped and uncommitted countries have gained a new leverage, a new bargaining power.

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Fifth: Nationalism, particularly among hitherto submerged peoples, is operating in unusual strength.

Danger of War and Deterrents to War

9. I should like to discuss these points in order, and first will take up the question of deterrents to general war and the danger of general war. We do not have any precise knowledge of the Soviet nuclear weapons stockpile, but we do know something of the quantity of nuclear materials available. It is formidable. We also know that the USSR is improving its capability for delivering nuclear weapons. We judge from things they are doing and saying that they take our capabilities very seriously indeed. ~~Thus~~, we believe that even if they should increase their own capabilities, the Soviet leaders would regard a war with the United States as a very risky venture at best. Therefore, we believe that they will ~~not~~ for some years to come -- deliberately initiate a war against the US, nor do we believe they will ~~consciously~~ <sup>consciously</sup> and deliberately undertake the kind of risky course of action which they thought might lead us to call a halt, by force if necessary.

10. This does not mean we believe a general war is out of the question. We believe that the Soviet leaders would go to war if they thought the survival of their system was threatened by an outside power. They have always been suspicious of our intentions and they probably always will be. This could lead to trouble. If, for example, there were an uprising in Poland or East Germany involving Polish or East German forces, such an uprising might not be very easy for the Russians to suppress. Even if the Western powers did not make any moves to intervene, the Western powers would probably take

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some steps to protect or alert their forces, purely as a precaution. The Kremlin might misinterpret these as an <sup>intention</sup> invitation to intervene. It might become extremely sensitive and take some action from which it could not retreat. On balance, we think this is unlikely because all the major powers will almost certainly make great efforts to prevent a general war from developing.

11. Likewise in the Middle East, the Kremlin is committed to support of the Egyptians, and it probably would engage in considerable risk to try to keep Nasser from going down. We do not believe, however, that the USSR would really risk a big war over its commitments or interests in the Middle East.

12. It is obvious from these examples that there is a continuing danger of a general war arising out of local conflicts, nationalist uprisings, or civil wars in which the great powers are involved. The instability existing in the world has increased the number of opportunities for this to occur. But as I noted earlier, the deterrents are likewise increasing, and this has the effect of forcing the great powers to proceed with great deliberation.

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13. The Communist Upheaval. This situation of deterrents and dangers puts all the leaders of the major world powers under great strain. This includes the Soviet leaders. They are--they must be--worried over US capabilities, and achievements. They seem obsessed with the idea of catching up with, and overtaking, the US in industrial production and military strength. They appear determined to increase their military capabilities, to build up the USSR as a base, and to seize every opportunity to expand their influence.

14. But the Soviet leaders also have some troubles. The death of Stalin was probably a relief to some of the Soviet leaders; it relieved them of some of their fears for their own personal safety. But they also recognized that Stalin's kind of tyranny had killed--besides people--a lot of popular initiative and hope. There was widespread apathy in the USSR and there was antagonism in the Satellites. So they tried to relax tensions at home and in the world. At home they did this by relaxing police controls and permitting some limited freedom of expression in intellectual circles. Finally, they undertook to expose the tyranny and abuses of Stalin himself. They evidently sought, by so doing, to stimulate faith in themselves, to win friends--or at least reduce antagonism--abroad and in the Satellites, and to inspire some hope in the Russian people that a better day was at hand. They probably thought they could control this new freedom and keep it from getting out of hand.

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15. However, they unleashed forces with which they will have to deal for some time to come. To some extent they undermined their own authority. They have felt called upon to answer criticisms. They have encountered discontent in student and intellectual circles.

16. The most obvious effects occurred outside the USSR. Soviet control over the Communist parties in the Satellites was weakened by Stalin's death. Dissension within those parties which had existed for years and had not been eliminated by Stalin's purges, came to the surface. The repudiation of Stalin gave added boldness to the dissenters. When the Soviet leaders tried to make a concessions to national sentiment by announcing a doctrine of "different roads to socialism", open opposition in Poland and Hungary followed.

17. Outside the Soviet Bloc, the Communist parties were also weakened. This has become especially obvious in Great Britain and Italy. The Communists have lost some ground in France and elsewhere. Most of the Communist party leaders outside the Soviet Bloc continue to reaffirm their loyalty to Moscow, but down in the ranks there is much confusion, lack of enthusiasm, and outright defection.

18. As a result of these difficulties, the Soviet leaders have retreated from their more liberal posture of a year ago. They are clamping down in the Satellites and trying to put the squeeze on Gomulka. They are in effect carrying out a military occupation of Hungary. In the process they have lost

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Tito again. A year ago Soviet-Yugoslav relations became noticeably friendly, but they deteriorated again when the trouble developed in Hungary and Poland. The Yugoslavs and the Russians now seem to have settled back to the kind of name-calling that went on a few years ago.

19. We do not think the Soviet leaders will try to go back to Stalinism. They probably recognize that the popular reaction would be too great to make it profitable. There is probably some division of opinion at the top about how to deal with the situation. Some of these leaders probably would oppose a return to Stalinism simply because it would require a new Stalin. After watching the last Stalin "shorten by a head" most of his fellow conspirators, they should probably hesitate to put ~~themselves in a position where their~~ *one of their colleagues in a position* ~~where he could make similar adjustments in their own dimensions.~~ *own dimensions might be similarly adjusted.*

20. In the aggregate, the Communist world has been weakened. Certainly the Soviet military, political, and economic position in the Satellites has deteriorated. The ideological and psychological leadership of the USSR has been impaired, and the Communist movement outside the USSR has been visibly diminished.

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Weaker Western Alliance

21. The Western alliance system, and particularly NATO, has also been weakened in the last year or two. In 1948 the Western European powers were anxious to join in an alliance with us because they were frightened. They were pressed by the growing Communist movements in their own countries, and they saw the brutal way in which complete Communist control was established in Czechoslovakia through the combined effect of the Soviet military threat and domestic Communist subversion. They were further frightened by the Korean venture. By 1955-56, these fears had eased considerably. Communism at home was no longer gaining; in some countries it was declining in strength. The Soviet leaders were trying to relax tensions; they were being personable and friendly; they were making much of the "spirit of Geneva."

22. In these circumstances, the peoples of Western Europe began to think they could ease off. They could reduce their military budgets. They could devote more resources to investment and to social programs. They could pursue their national interests instead of subordinating them to the interests of the Western community as a whole.

23. It was in this atmosphere that the Suez crisis came upon us. British and French national interests were involved in the dispute with Nasser. Moreover, Western Europe as a whole felt itself under some challenge. Western Europe was the principal world area using the canal. In addition, Western Europe depended heavily upon Middle East oil; many thought they could not accept

this kind of thing lying down -- for fear it might be the beginning of a long series of seizures and encroachments which would eventually strangle them economically and politically.

24. When the British and French went ahead and intervened militarily in Egypt, some of those in Europe who sympathized with them did not approve of their action any more than we did. The entire affair has caused strain all around. Some of the people in Britain and France who were our best friends are unhappy about us, just as many of us and other Europeans are unhappy about what the British and French did. One consequence of the Suez crisis was a British decision to reduce their troop strength in Germany, in order to cope with some of the economic consequences of Suez affairs. This has created considerable displeasure in Germany and elsewhere on the continent. NATO is not in a state of crisis over this or any other issue before it, but there has been a decline in vitality and some loss of mutual confidence.

25. Recent events in the Middle East and in Eastern Europe have profoundly affected Western European thinking about NATO on the one hand and the USSR on the other. A sense of relief at the Soviet attempt to relax tension gave way to new anxiety with the Soviet application of brute force in Hungary. The West Europeans were worried over Bulganin's talk about rockets during the British and French intervention in Egypt; they are still worried about the Soviet drive for influence in the Middle East.

26. It will be some time before a clear pattern of thought and policy appears in Western Europe. The Europeans are beset by contradictory fears

and wishes. They want US protection and support, but are afraid of involvement in any US-Soviet quarrels. They would like to have their own atomic bomb, in order to give them a greater influence in world affairs, but they are afraid that by having the bomb they will open themselves to atomic attack. They would like to cooperate with each other, but they are <sup>reluctant</sup> unwilling to make national sacrifices. They would like to strengthen Western Europe in order to counter-balance US and Soviet power, but they are afraid of "going it alone." They are still afraid of the USSR, but they look at Soviet difficulties in Eastern Europe with some hope; they have developed a new interest in the possibility that somehow the Soviet leaders might become persuaded to negotiate a gradual withdrawal. Thus, Soviet leaders would first have to give some persuasive indication that they were prepared to withdraw. These indications do not now exist, and we have no reason to believe that they will be given at any early date. Over the short term at least, we expect that the European members of NATO will continue to support it. They will press for greater coordination of policy among the NATO powers. They will press for a reexamination of NATO military concepts and for a study of the problems presented by the growing Soviet nuclear capability. It appears unlikely, however, that the European NATO members will extend the degree of support they have in the past. We think there will be a continuing tendency to slacken the effort and to look toward their own national and economic problems.

Underdeveloped Areas

28. One of the reasons for Western Europe's concern and uncertainty is that it has suffered a relative decline in world power position. Europe has been prosperous during the past several years, but its continued prosperity is dependent upon resources and markets over which it no longer has control. The underdeveloped peoples have begun to play a bigger role in world affairs and those which are independent states have begun more aggressively to exercise their sovereign rights to dispose of their own resources.

29. There are several reasons for this. One is that the big powers-- the US and the USSR alike -- are solicitous of them, although for quite different reasons. The USSR has entered the arena; it is trying to gain influence in the underdeveloped and uncommitted countries by extending them diplomatic and economic aid. You may recall that Lenin said he would attack capitalism in Asia and Africa and deprive the "imperialists" of the markets and resources upon which their capitalism depended.

30. Many of these underdeveloped peoples are extremely vulnerable to this kind of Soviet exploitation. Nearly all of them are extremely anxious to develop their economies. They are experiencing explosive population growth. In some cases they cannot maintain even the present low living standard without outside help. Few of them can accumulate the capital necessary to carry out their own development. Many are prepared to accept economic aid from any quarter.

31. Some of these underdeveloped peoples are engaged in disputes with their present or former colonial masters. Sometimes these disputes are based more upon a desire to humble their former masters than upon real issues. But this too provides an opportunity for Soviet maneuvers.

32. The Middle East, of course, is the area where these problems have been most forcefully brought into focus. Those of you who are familiar with diplomatic telegrams must at sometime or other have read a telegram reporting a difficult situation which concluded with the words, "The situation is serious, but not hopeless." A few years ago there was a tempest in a teapot in the Middle East which was reported in lurid detail, and the joker who wrote that telegram then summed it up with these words, "The situation is hopeless, but not serious." No telegrams like that are coming from our Middle Eastern posts today.

33. The most important developments in the Middle East in the past few years have been the rise of Nasser as a symbol of nationalism, and the Soviet exploitation of this nationalism. Today, Nasser may have more prestige outside his own country than he has in it. Even school boys in Morocco can be found carrying a picture of Nasser in their wallets. Nasser is important to the other Arabs because of the force of his example. He has won against the British and the Israelis, or at least he is thought to have won. He is certainly trying to give the appearance that he has won. There are still many

moderate nationalists in the Arab states, but they have felt powerless to oppose him. A natural conspirator, Nasser has frightened the moderates and he has quite successfully played upon personal and group rivalries to weaken the other Arab leaders.

34. The willingness of the USSR to provide arms, economic aid and diplomatic support has permitted these Arab nationalists to make their efforts to eliminate special Western interests and to settle scores with Israel. The Egyptian leaders are not Communists and apparently have no desire to be subjected to Soviet control, but they have accepted Soviet help and have encouraged their neighbors to do likewise.

35. I cannot here go into a detailed discussion of the Middle Eastern problem or the question of Israel. One thing which does appear inescapable is that this area of the world faces a period of continued uncertainty and turbulence. Even if more moderate leadership should emerge and should prove more courageous in combatting extremist and irresponsible nationalism, the Israeli problem is one which will trouble the area for many years to come. It will be a long time before even the moderates could abandon a violent anti-Israeli position and negotiate a settlement with Israel.

36. In Asia, the situation is less gloomy. The countries there which are allied with us have made modest progress in building up their military and economic strength. While these countries will probably demonstrate considerable national sensitivity in their dealings with us, we believe they will support us

in international policy. The British have lost some of their influence as a result of the Suez affair, and India will continue to exist a neutralist influence.

37. The countries of Southeast Asia are far from a stable element in world affairs. They all have deep-seated political and social problems. They have large overseas Chinese populations, and loyalty of these Chinese is an uncertain quantity. The influence of Communist China has increased in Southeast Asia. There seems to be a growing feeling that Communist China is here to stay and that it would be wise not to defy Peiping or to rebuff its overtures.

38. Black Africa is an area which is increasingly receiving our attention. The nationalist movement there has not advanced as rapidly as elsewhere, and thus it has not been so pressing a problem as in the Near and Far East. Nevertheless, changes are taking place, and in some cases with amazing rapidity. It appears likely that over the next ten years, many of the areas of Africa that are now under colonial administration will receive some form of independence. This will occur most rapidly in the areas under British control. It appears to us that if the colonial powers follow a liberal policy, they still have time to exert a moderating influence. They still can insure that the new states will be friendly to the West. They will of course have to contend with Soviet efforts to subvert the native populations, to stir up racial tensions, and generally to promote anti-Westernism.

39. In North Africa, the problems are <sup>the</sup> most urgent. The French have granted independence to Morocco and Algeria, but their relations with these countries are not very good. The French still must work out detailed arrangements for evacuation of their military forces and for regularization of their economic relations. Much more troublesome is the irritation caused by Algeria. So long as the Algerian problem is unresolved, relations between France and Tunisia and Morocco will be under strain. The French must sometime grant virtual independence to Algeria, but this will create serious internal difficulties in France. We see <sup>little</sup> ~~no~~ prospect of an early <sup>salutary</sup> situation.

40. Despite the reticence of such powers as France to grant independence to their colonial possessions, we feel that this trend toward withdrawal of colonial authority and privilege is one which is bound to accelerate. As we have seen in the Middle and Far East, it is a process fraught with danger. These underdeveloped peoples are often naive; many of them lack the experience to manage their own affairs. Some of them lack the natural physical and cultural unity essential to orderly existence.

41. But we are faced with a virtually irreversible trend. These countries are in social revolution. They are becoming industrialized; their peoples are becoming aware of the outside world and of new horizons in their existence. They have aspirations and hopes which appear to us to be irrepressible.



Conclusion

42. I said at the beginning of my talk with you that great changes were taking place in the world. This trend toward independence is certainly one of them. The upheaval in the Communist world is another. I feel that psychological factors have assumed a new importance; whether it is Hungary, Poland, Algeria, or Ghana, people want freedom from outside control. In a world where nuclear weapons play such a big role in our thoughts, it is surprising to see what people can do with moral pressure, popular indignation, stick and stones and homemade bombs to demonstrate their urge for freedom.

43. In this world of change, the US, as a great power, can do much to influence the direction and the dimensions of the change. What is required first is for us to see things clearly and objectively. That is what we as estimators are trying to do. We trust that all of us will have the wisdom to determine and carry out the appropriate policies.