

Remarks of the Director of Central Intelligence
Quantico, June 20, 1958

Introduction

1. Gentlemen, the world situation today is not as favorable for the United States as it was a few years ago. You will recall that in 1956 the Soviet bloc was suffering severe strains. Khrushchev made a speech which exposed and repudiated Stalinist terrorism and brutality. This speech, when its contents became known, created unrest in the USSR and in the satellites, and it shocked many Communists in Western countries. The return of Gomulka to power in Poland and the popular uprising in Hungary created great difficulties for the Soviet leaders. Soviet authority in the Communist world appeared to have been weakened.

2. During the past year and a half the Soviet Union has regained much of its lost ground. The revolution in Hungary was suppressed. Poland and Communist China have rallied to the Soviet cause. Tito, after being assiduously courted, refused to come to heel and has been isolated. The USSR has gone through major changes within the leadership but has emerged unruffled. Khrushchev seems to be in firm control.

3. In the meanwhile, the US and its allies have suffered some setbacks. Our superiority in nuclear weapons and in delivery capabilities has been challenged by Soviet scientific achievements. The US is undergoing a recession. More recently, the advances of the Communists in Indonesia and Laos, the manifestations of anti-Americanism in Latin America, the attempt to oust the pro-Western president in Lebanon, and the political paralysis of France, have contributed to our problems.

4. I do not mean to convey an impression of unmitigated gloom. We are still militarily stronger than the USSR. Our European friends still consider the NATO alliance an indispensable element of their policy. We retain enormous influence and prestige throughout the world. But there are basic changes and trends in the world situation which confront us, and we may suffer further setbacks in the future. Let me discuss these major changes with you.

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SECRETFirst: Soviet Progress and Policy

5. The Soviet leaders probably look upon their present position in the world as quite favorable. They have successfully fired long-range missiles and placed heavy earth satellites into orbit. During the period from 1960-1963 the USSR could develop a substantial ICBM capability, increased submarine-launched missile capabilities, and a considerable buildup of ballistic missiles with short and medium ranges. Between now and mid-1960, the Soviet long-range air force will be principally a medium bomber force, with probably no more than 100 to 200 heavy bombers and tankers. By 1963 the Soviets could have 500 to 600 heavy bombers; we think it more likely that they will not develop so large a force, that it will be say about 200 to 300, and that by 1963 they will be placing major reliance upon ICBM's for intercontinental delivery of nuclear weapons. I have gone into these figures because it is evident that they are developing a deterrent of their own which they believe will be as effective as the one we have possessed.

6. They have the economic system to support, not only a substantial defense effort, but also an extensive investment program at home and an economic aid program abroad. Although their gross national product is only two-fifths as large as ours and their per capita consumption only one-fifth as large as ours, the USSR allocates its resources in such a way that -- in terms of resources available for national policy -- its aggregate effort already approaches that of the US. That is to say, the total amount the USSR spends, when converted into dollar values, for research, defense, industrial investment, and foreign aid is almost as much as we spend on all these things put together.

7. In these circumstances, the USSR has a wide range of policy choices open to it. The Soviet leaders probably feel that they are in a stronger position than they were in the past to engage in threats or in negotiations, or alternatively to continue to try to win position and influence by political and economic methods. We do not believe that the Soviet leaders

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have made a decision to follow any one line to the exclusion of others. Their entire approach has been too pragmatic and flexible to justify clear prediction. On the whole, we believe they will press rigorously their campaign to gain influence in underdeveloped areas by political and economic means and that they will try to avoid policies which they believe would clearly lead to serious risk of general war. Nevertheless, they probably believe that they can pursue somewhat bolder policies than in the past without a corresponding increase in risk, and they probably foresee that crises will develop from time to time as a result of Western resistance to the expansion of their influence. In these circumstances, we expect the Soviets to be firm, and even occasionally bellicose.

Second Major Change - The Psychological Impact of Soviet and US Policies

8. The prospective Soviet achievement of an ICBM capability has brought into the minds of statesmen and peoples everywhere, for the first time, a general sense of US vulnerability to attack. It is now generally believed that the USSR -- within the next year or two rather than at some time in the distant future -- will be able to inflict instant and crippling damage on North America. Foreign peoples and statesmen now fear that the US will become increasingly inhibited from threatening nuclear retaliation in order to deter Soviet pressure or Soviet action in matters of vital concern to them, and they fear that, even if the US did so, the Soviets would not necessarily believe it.

9. In this situation, many leaders of the free world are becoming increasingly concerned with the problem of deterring minor thrusts and local aggressions. No one can be certain about how to mix and to balance nuclear and non-nuclear forces in order to gain the widest deterrent effect, or how best to prevent limited engagements from expanding into major war. In short, the new strategic situation which is developing from the prospective Soviet achievement of an ICBM capability is creating much confusion and hesitation throughout the free world.

10. This situation has not reduced the fundamental desire of most of our allies to maintain their alliances with the US. However, it has somewhat reduced the deterrent effect of US military power and therefore reduced somewhat the value of an alliance with the US. Moreover, the USSR

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through its diplomatic offensive -- the talk of a summit conference, proposals for nuclear free zones, a ban on nuclear tests, and so on -- has tried to cast doubt upon the necessity for alliance with the US. These various Soviet proposals have struck a responsive chord in Western European opinion and as a consequence the pressure for negotiations with the USSR has been sustained. These changes in the Soviet diplomatic posture, these changes in the strategic situation, and changes within Europe and in the underdeveloped areas have led to much soul-searching about the military and political adequacy of NATO. It seems likely that over the next five years the Western European countries will gradually develop greater military power under their own control, that they will assert a more independent position within the alliance, and possibly also adopt a more flexible position in their dealings with the Soviet Union.

11. In general, the US will probably encounter increasing difficulties in retaining overseas bases on terms assuring their availability and effectiveness in case of need. In particular, the US will encounter new problems in its attempts to increase allied military strength through the establishment of missile bases or the further deployment of nuclear weapons overseas. Especially among our allies in Asia and the Middle East, trends toward neutralism will occur which may cause considerable changes in our established relations.

12. Recent Soviet policies and achievements have caused the Communist states to gain considerable ground in world opinion at the expense of the US. By getting its earth satellites up first and by putting a dog in one of them the USSR dramatized its scientific and economic progress. By suddenly and effectively entering the foreign aid competition with the US, and by its support to nationalist causes among colonial and ex-colonial peoples, the USSR has, with some success, established itself as a symbol of change, progress and development. The US, because it does not give indiscriminating support to nationalist causes, because it is prudent in extending economic aid, because it looks to the maintenance of its deterrent

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capabilities, tends to be regarded -- particularly among some of the newer nations -- as too preoccupied with military security and indifferent to social and economic progress. Unfortunately our shortcomings -- our race problem, for example -- are more obvious to the world, and a higher standard of behavior is expected of the US than of the USSR. Thus, despite the intellectual and realistic justification of US policy, the simple formulas proposed by the USSR -- nuclear free zones, nuclear test bans, anti-colonialism, peace, and so on -- often have greater appeal.

Third - The Problem of the Underdeveloped Areas

13. Some of our most serious problems are in that great belt of countries running from Southeast Asia on the east, across South Asia, the Middle East, and Africa, to the west coast of South America. Most of these countries are undergoing social and economic revolutions. Many of them are the targets of Soviet economic penetration and Communist subversion. Many are politically unstable and all have grave economic problems. Population growth is extremely rapid. In some cases it is growing faster than the economies are growing. In the Asian and African sectors of this belt of underdeveloped countries are a large number of new states whose leaders frequently believe that the US and the USSR are engaged in a world power struggle which is of little direct concern to them. They tend to believe that the safest and most advantageous course for them to follow is one of neutralism.

14. The USSR has played up to this tendency toward neutralism by making no ostensible effort to recruit them into its camp. Offers of foreign aid have been made without apparent strings. The US, on the other hand, often appears to them as opposed to neutralism and as attempting to force them into the Western alliance system. Because of their economic weakness and political instability, many of these states are ripe for Sino-Soviet political meddling and subversive activity.

15. As a consequence of this, it appears to us that the conflict within these countries will increasingly become a conflict -- not between East and West -- but between neutralism and pro-Communism. Syria and Indonesia are examples of this. In Syria a pro-Communist group was getting

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control of key positions; the neutralist elements, in an effort to head off the seizure of full power by the pro-Communists, proposed the Syrian-Egyptian union. The pro-Communists could not oppose greater Arab nationalism and were obliged to support this merger. Nasser is now engaged in effort to make his brand of neutralism dominant in Syria. In Indonesia the Communist party has been growing and extending its influence within the government. This has occurred despite the strong anti-Communist views of many army officers and political leaders. The creation of the Indonesian insurgent regime in Sumatra appears to have shocked those who have permitted this slow Communist infiltration, and there are now signs that an effort is being made to reduce Communist influence. We cannot yet determine whether this effort will succeed.

16. Lebanon is a case where there is a conflict between pro-Western and neutralist elements. This conflict was touched off by indications that the president intended to amend the constitution in order to succeed himself. This antagonized pro-Western elements as well as neutralists, and it provided Nasser with an opportunity to exploit the situation. Thus, the opposition to the president includes a wide range of opinion and it has been supported from Syria by weapons, supplies, and personnel. The situation is now one of civil war, and there is serious doubt that the President can survive.

17. This Arab nationalist movement, of which Nasser is the symbol and to some extent the leader, seems to be here to stay. These people believe they can accept a considerable amount of Soviet assistance without danger to themselves. This is matter on which we have serious doubts. There are, however, some signs of hope. Nasser's recent trip to the USSR apparently did not go too well in some respects. Moreover, the Yugoslavs, who recently discovered the strings on Soviet economic aid when the Soviets cancelled a large credit to Yugoslavia, have not been slow to tell everyone who will listen to them that the strings are there and that the Soviets will try to tighten them.

18. Latin America is a somewhat different problem inasmuch as neutralism and pro-Communism are not immediate issues. The Latin American countries, however, like these other underdeveloped countries, are

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undergoing social and economic revolutions. The dominant political groups of the past are being overthrown -- sometimes peacefully and sometimes forcefully -- and rapid industrialization is taking place. These rapid economic changes have produced serious economic problems, and these political changes have sometimes produced very unpopular governments and much political agitation. Unfortunately, we have been identified in the popular mind with some of these economic problems and these unpopular governments. In general, however, we believe that basic antipathy for the US is limited and that Communism is not a serious present danger.

In Conclusion, I want to say a few words about over-all and long-range prospects.

19. Despite the confidence with which the Soviet leaders view the future and the pride with which they view their accomplishments, we believe they are likely to retain a healthy respect for US power. They will continue to entertain great uncertainties about their capacity to wage successful warfare against the US. It is unlikely that they ^{will} deliberately initiate general war or embark upon a course which they believe involves a serious risk of general war.

20. Nevertheless, there will be a constant jockeying for position between the US and the USSR. This will create the difficult problem of calculating the risks involved in actions -- or inaction -- in particular situations. Failure to calculate accurately could lead to various conceivable forms of local war or even to a general conflict. We do not see any easy way to determine whether local wars will break out and whether if they do they can be kept limited. We are not persuaded that they will be kept limited because it would be sensible not to allow them to expand. The rapidity with which events often occur, the pressures upon chiefs of government, and the great importance of time, can confuse and distort the intentions of the parties involved. Thus, local wars could be expanded even though it was the intention of the parties involved to keep them limited.

21. Certainly one of the most important factors shaping the world in the future -- aside from the question of general war -- will be the manner in which the Soviet bloc evolves. Despite the Hungarian revolt

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and its aftermath -- including the execution of Imre Nagy and his associates -- we believe there has been a significant change in the USSR and in its relations with other bloc states. We think these changes will continue. The Soviets can probably control the pace of change and thus prevent any serious weakening over the short term. These changes in the long term might profoundly alter the content and structure of political life in the USSR and in the Soviet bloc as whole.

22. This change in the Soviet bloc, though real, does not seem likely to have a major effect for some years to come upon the world struggle in which we are engaged. Under the cover of a condition of mutual deterrence, the USSR apparently intends to wage an intensive cold war against the US. This cold war will have intermittent upsurges and declines in intensity as the Soviets shift their tactics and their near-term objectives. The Soviet bloc will undertake vigorous economic and political offensives. It will take advantage of world trouble spots; it will exploit nationalist and revolutionary movements in underdeveloped countries; it will exploit such profitable schemes as disarmament and peace.

23. The USSR will probably have some success in these efforts and ~~that~~ this will generate increasing nervousness in the West over real or imagined losses of position. We do not think, however, that there is an irreversible trend running against the West. The Sino-Soviet bloc will become an increasingly formidable opponent, but its leaders must also cope with major problems in exploiting their strength. We believe the course of the East-West contest will depend more than anything else upon the manner in which the West mobilizes its political, economic, and military resources.

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