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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

11 December 1956

STAFF MEMORANDUM NO. 94-56

SUBJECT: O/NE Consultants' Conference

1. Attachment A is a summary of the salient points and major suggestions made by the consultants during their meeting at Princeton on November 29-30, 1956. Attachment B is a record of the discussions.

2. The following consultants and members of O/NE participated in the conference.

Participants:

O/NE Members present:

James Cooley, Chairman  
Cyril Black  
Klaus Knorr  
William L. Langer  
Harold F. Linder  
Philip E. Mosely  
[redacted]  
Joseph R. Strayer  
T. Cuyler Young

DeForest VanSlyck, Board  
Keith Clark  
[redacted]  
[redacted]  
Maurice Williams

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3. On Thursday morning SNIE 12-3-56, Probable Developments in Soviet-Satellite Relations, was discussed. Thursday afternoon was devoted to SNIE 11-10-56, Probable Soviet Actions in the Middle East, and other Middle Eastern problems. Friday was devoted to examination of the draft estimate on the World Situation.

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## ATTACHMENT A: Summary of Major Recommendations and Ideas

1. Soviet-Satellite Problems. The consultants thought that the recent SNIE posed the Soviet dilemma properly and described past and present policy accurately. LANGER criticized its failure to treat two topics: anti-German sentiments in some Satellites as a factor encouraging close relations with the USSR, and the necessary reappraisal of Bloc military capabilities for various types of campaigns. There was general agreement that the treatment of Yugoslavia was insufficiently detailed.

2. On the estimate of probable future developments, BLACK gained some support for his dissent from the estimate that the present Soviet policy of an alternation between concessions and repressions "could continue indefinitely." He thought rather that it would soon be replaced by a more consistent policy in one direction or the other and that this policy was likely to fall outside the alternatives regarded as most likely in the estimate. LINDER and others were in closer agreement with the estimate on this point. All the consultants stressed differences in geography, history, national character, and national parties in discussing future Satellite prospects and expected considerable variations on these grounds.

3. Discussing the intelligence program, the consultants agreed that, in addition to a fuller treatment of Yugoslavia in Bloc papers, a separate estimate on Yugoslavia was desirable. A paper on Communist parties was suggested, with emphasis upon international and national factions. KNORR urged further work on analysis of the Hungarian revolt with respect to Soviet Army reliability and efficiency and the motivations for revolt. A need was also expressed for a better appreciation of Eastern European economic prospects under various political assumptions.

4. The Middle East. The group had no major objections to the SNIE on possible Soviet actions in this area. Opinion was unanimous that the Anglo-French-Israeli attack was calamitous for the Western position. In discussing the consequences of US accession to the Baghdad Pact, STRAYER received partial support from LINDER in his assessment that such a move would be, on balance, advantageous to the US. The other consultants appeared to feel that the possible advantages were outweighed by probable disadvantages.

5. World Situation. The draft paper was discussed first in general and then paragraph by paragraph. The general discussion is summarized in ATTACHMENT B.

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## ATTACHMENT B: Minutes of the Discussion

I. THURSDAY MORNING SESSION

STRAYER began the Satellite discussion by suggesting that we had underrated the influence of Tito, exercised partly deliberately and partly through example.

Pointing out Yugoslavia's continued efforts to stay in the socialist family, he posed Tito's central problem as choosing between holding things together in that family or having his own way.

BLACK thought Tito was concerned by the possible domestic reaction to Hungarian events, saying that the same causes of discontent existed in both countries.

LANGER demurred, pointing out the factor of Soviet oppression in Hungary. He went on to comment that SMIE 12-3-56 did not distinguish sufficiently between Hungary, where anti-Communism became overwhelming, and Poland, where the Communists were able to control a rapidly developing situation.

BLACK said that the Hungarian revolt casts doubt on Soviet control of Satellite armies. KNORR picked up this line of thought to identify as a major conclusion of the Hungarian experience the general failure of Communist youth indoctrination which it revealed. LINDER dissented from the general agreement to this point, saying that its failure in the USSR, where a longer period was available, has not yet been demonstrated. In the ensuing discussion KNORR argued strongly for thorough investigations among refugee sources to determine a) the behavior of Soviet troops in the Hungarian fighting and b) Hungarian motivations for active resistance. [redacted] noted effective mass indoctrination requires the foreclosing of alternatives and that, when new alternatives arise, the situation changes radically. MOSELY added that, under foreign occupation, it is extremely difficult to foreclose other alternatives in countries which have an oral tradition of history and strong nationalism, such as Poland, Hungary, and to a less extent Rumania.

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COOLEY asked whether the group regarded the present Polish situation as stable or touch-and-go, drawing brief responses from LANGER (internally unstable) and KNORR (also unstable from the Soviet standpoint). STRAYER returned the discussion to indoctrination, asking whether Communism was not losing its zip as a system and breaking down in careerism. This need not impair economic growth, he thought, but might impair national toughness and willingness to fight.

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VANSLYCK suggested that the USSR must pay increased attention to consumption, and LANGER added that industrialization and education necessarily lead to critical thought. MOSELY replied on the basis of his observations in the USSR, that everyone, and especially the youth, wanted more consumer goods. Some students, especially politically active ones, exhibited some of the traditional Russian disdain for "materialism." All appeared to want to make the system work better, and they sought freer expression for this purpose, not in order to propagandize a different system.

[redacted] thought that the regime's various problems regarding the population should be regarded as a constant multiplication of little strains and adjustments thereto, rather than a buildup of pressures leading to radical or explosive changes. (b)(3)

STRAYER approved of the paper's statement of the Soviet dilemma and thought that its exclusion of extreme solutions was proper.

BLACK took the opposite view. He saw little difference among the three alternatives on which the paper concentrated. He particularly doubted whether a middle course alternating between repression and relaxation "could continue indefinitely," as the paper suggested, and wondered whether Poland could continue to exist between Titoism and Stalinism. He felt that the use of Soviet armies, particularly to occupy Hungary, Rumania, and Bulgaria, was a distinct possibility.

STRAYER supplied Finland as an example of the opposite solution falling beyond the other end of the paper's alternatives. He felt that a string of Finlands in Eastern Europe would be just as effective as Satellites from a military viewpoint and would support Soviet cultivation of nationalism outside the Bloc. BLACK agreed, stating that military occupation or a Finnish solution appeared to be more real alternatives than those adduced in the paper. He returned to this argument on several occasions, arguing that the paper's three moderate courses might not be objectively possible and that any intermediate policy always tends to one extreme or the other, a point supported by [redacted]. He inclined to the repressive solution, including military occupation of the southern satellites, partly to counter Tito's influence, but thought that fear of Germany in Poland and Czechoslovakia might make actual occupation less necessary there. The opposite solution he envisaged as one with many national variations and the retention of some Soviet military bases but characterized by more freedom than in present-day Poland. He suggested that the domestic implications of such a Soviet policy might be quite dangerous. (b)(3)

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LINDER thought the paper's Course C, alternating relaxation and repression, a good prospect for the near term. He opened a new line of discussion by arguing that, from the Soviet viewpoint, a consistent policy of relaxing controls in Eastern Europe probably involved a deal with the US for mutual military withdrawal. Such an arrangement would permit the USSR to save face and to salvage a great deal from a bad situation.

MOSELY thought that this bad situation would increase their desire to hang on to their military assets.

In response to LANGER's question whether US negotiations on this point would not upset its NATO allies, LINDER thought they too would be tempted by the idea, seeing in it a favorable political shift in Eastern Europe and believing that rocket war has depreciated the importance of US Continental forces in protecting them from the USSR. A soft line in Soviet foreign policy, he thought, would further decrease NATO objections.

LANGER thought the paper should have discussed the threat of Germany as a factor in Polish and Czech foreign policy and that it should have revised Bloc military capabilities in the light of recent events. Particularly the conclusions of earlier estimates regarding the capabilities of Satellite forces in a campaign against Yugoslavia require revision.

MOSELY stressed the great Soviet advantage represented by the Oder-Neisse line, which ties Poland to the USSR. He termed it a great mistake to have left this boundary as an open international question in which only the USSR is committed to Polish interests. Instead, he argued, we should have drawn a more easterly border, even a poorer one from the geographic standpoint, and settled it definitively immediately after the war.

BLACK disputed the paper's view that party factions were less sharply divided in other Satellites than in Hungary and Poland. He cited the existence of bitter divisions among the Bulgarian leadership in which personal feuds, attitudes to Tito, and disillusion with the USSR play a part. He thought that the problem of personal survival was the most important consideration in working out such conflicts. BLACK later added that he had no information on the state of Bulgarian party unity below the top level.

MOSELY estimated that, as the Poles become disillusioned by the absence of rapid improvement, Gornulka and the Polish party will be forced to rely increasingly on the USSR. He termed this a form of re-Stalinization.

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STRAYER warned that Hungary is atypical in many respects: the German threat is not operative, among the southern Satellites Bulgaria and Rumania are easier to control, Hungary is more open to the west, the Hungarian party was historically weak and arrived rather late on the scene. LANGER added that Hungary is non-Slavic.

MOSELY noted that Tito's internal problems grew in a period of relaxation of Soviet pressures on Yugoslavia. Among these he mentioned the need to beg food from abroad each year, peasant unwillingness to invest or expand their acreage, high urban prices and the workers' feeling that their status is not improving, indifference among the youth, an intellectual life which is freer than in the average Satellite but still not very dynamic, and some apathy in the party. He thought that workers' councils were not taken seriously by the workers and were mostly for foreign consumption. For these reasons he questioned the extent to which Tito can really push for greater Satellite independence. He added that Tito probably feared for the stability of his own party in view of the Hungarian example of disintegration.

KNORR asked whether Yugoslavia would be economically viable without US aid and whether other Satellites could succeed economically under conditions of political independence.

LINDER'S response stressed Yugoslav dependence on US aid, pointing out the need for high defense expenditures, the extreme industrialization effort typical of Communists, and the inadequacies of the resource base. In more general terms, he thought that Satellites producing exportable raw materials enjoyed much better economic prospects than those without this asset.

[ ] pointed out a contradiction - that the achievement of the status of national Communism raises economic expectations which can probably be satisfied only within a bloc, that is, at some cost to political independence. (b)(3)

Discussing economic prospects, MOSELY rated Poland's higher than Yugoslavia's pointing out the more efficient Polish peasantry, the bigger farmsteads, a better balance between light and heavy industry, a better export potential, and the presence of good economists, several of whom have recently returned from the West to take top jobs. He said that Bulgaria has made fewer economic mistakes than Hungary, concentrating on

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investment for domestic purposes, e.g. fertilizer plants, rather than a general buildup. Bulgaria also is patiently awaiting Soviet support for a slice of Turkey or Greece, so it exhibits less economic strain and more identification with the USSR than its neighbors.

The group agreed with COOLEY's remark that, in addition to greater stress on Yugoslavia in Soviet Bloc papers, a separate Yugoslav paper would be valuable. KNORR suggested work on the economic prospects of Eastern Europe under various political conditions. LINDER proposed a paper on Communist parties, both within and outside the Bloc, emphasizing national and Bloc-wide factions. STRAYER agreed, but was most concerned with the Satellite parties. He stressed the importance of able leaders, saying that they improved the prospects for national Communism and that popular hostility would insure their dependence upon the USSR.

MOSELY decried the voluminous speculations in the press about factions within the CPSU Presidium. He regarded only Molotov as holding a fixed position and thought that the others probably tended to swing with events.

In the final comment, LANGER questioned whether we should automatically offer aid to countries in trouble with the USSR or whether on occasion it might not be better to withhold it and allow a crisis to develop.

## II. THURSDAY AFTERNOON SESSION

LINDER asked whether Middle Eastern countries were complaining about revenue losses. YOUNG explained that they are not; Syria's largely agrarian economy is not immediately affected by such losses, as Iran's was not. KNORR pointed out that Iraq has plentiful unspent development funds. CLARK explained that Egypt's losses were largely of potential, not actual revenue. It was agreed that Bloc economies felt only a slight effect from the canal closure. STRAYER and YOUNG felt that India was willing to withstand economic losses for the sake of political interests in the area.

The group answered COOLEY's question of whether the USSR will seek to obstruct a political settlement in the affirmative.

VANSLYCK asked about the effect of economic sanctions against Egypt. CLARK noted that the USSR is supplying POL and wheat, and YOUNG pointed out

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that the barring of other goods hurt mostly the upper classes, on whom Nasser does not depend. He added that Nasser can explain Egypt's poor military in the Sinai showing by citing the British-French threat in the rear, and indicated disbelief of Israeli reports of huge equipment captures.

CLARK posed the problem of limitations on Soviet actions arising from local governments' concern for independence. YOUNG deprecated these limitations, saying that feelings against the British, French, and Israelis will override these anxieties. He believed that anti-west actions would bring Syria, for example, very close to the USSR. Nor did he believe that the USSR would be inhibited by fear of involvement in local quarrels if pay dirt were near. The USSR, in fact, was quite willing to be involved in anti-Israeli quarrels.

[redacted] stated that the US position is the key to the problem of the limits of Soviet action.

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CLARK asked whether the USSR would refrain from sending volunteers to the area while the UN holds the initiative. LANGER thought not, if the UN were to delay beyond 10-14 days, and YOUNG agreed. STRAYER asked why the USSR should send volunteers when the game was going so well without them and their arrival might provoke the US into a strong policy. LANGER replied that otherwise a settlement might be made without their participation.

LINDER and LANGER disputed about immediate Soviet policy, the former suggesting that the USSR may want to acquire general power to be used in the future in this area. He doubted that the USSR was willing at the present time to assume heavy obligations in the Near East, but sought rather to get into a position to destroy Western interests later. LANGER thought the Soviets sought to accomplish this immediately.

Discussing the results of US accession to the Baghdad Pact, YOUNG stated that this would accelerate a showdown, speed up the subversion of the Syrian government, and please only the Pact members.

STRAYER pointed out that the USSR will continue its disruptive activities in the area (arms shipments, dispatch of personnel, economic offers) in any event and that US accession therefore would not significantly worsen the situation.

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VANSLYCK, LANGER, and YOUNG all stressed the negative effects of splitting the Near East, raising the level of crisis, intensifying our friends' friendship and our enemies' hatred, and alienating South Asia. YOUNG felt that the only way to avoid these ill effects was simultaneously to get tough with Israel, which seemed impossible for domestic reasons.

MOSELY said US accession could be justified if it led to a vigorous policy such as arming Turkey and Iraq, taking over Syria and Jordan, working on Ibn Saud, and isolating Nasser, but not if it was followed by continued neutrality.

YOUNG pointed out that if Turkish or Iraqi action were to take place in Syria; after US adherence to the Pact, this might have more embarrassing repercussions for the US than if it were not a pact member.

Discussing the prospects if the US does not join the pact and remains neutral, YOUNG judged that they depend upon our policy on Israel. If the US overcomes domestic inhibitions and settles the Arab-Israeli conflict in a way which doesn't completely alienate the Arabs, the prospects are not so gloomy.

LANGER felt such a settlement was extremely difficult because of mutual fears but not impossible.

YOUNG believed that many Arabs are against peace with Israel, whatever the gains of the settlement, because they fear that Israel's long-run advantages in economics, technology, organizational ability, etc. will eventually enable her to organize the Near East and reduce them to the status of economic satellites.

COOLEY asked whether, since the outlook in the event of US inaction was for further deterioration, should we not ignore these Arab attitudes and devise a settlement which would have India's backing. Young agreed that Indian support would greatly enhance the stability of a settlement, but STRAYER doubted that Nehru would approve any arrangements which fell too far short of meeting Arab demands.

When LANGER asked whether Israel could be held to an unfavorable settlement, LINDER replied that, in contrast to 3-5 years ago, Israel now realizes that her economy is viable and that she can accept continued immigration into her

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present territory. Coupled with her dependence upon private US support, this makes it possible for the US government to exert pressure for a settlement which would not totally alienate the Arabs. Failing this, LINDER argued, the US should join the pact and thereby choose one Arab side against the other. STRAYER again supported the latter, feeling that all US interests could not be maintained and that we should therefore keep at least a part of the area on our side.

YOUNG called this an oversimplification, pointing to pro-Western regimes in Turkey and Iran. The choice is rather, he maintained, between Iraq on the one hand and Egypt and its supporters on the other.

MOSELY argued for individual dealings with the Arab nations rather than accession to one side, which would consolidate the Soviet-Egyptian-Saudi alliance, step up the arms race, and lead to an attack on Israel which would detach Iraq from the Baghdad Pact. As to timing, he argued that, while our present popularity is relatively high, this would probably be dissipated by the time ratification was accomplished. LANGER and YOUNG thought that the announcement of an intention to join would immediately destroy all Egyptian confidence in the US.

The group agreed with VANSLYCK that Soviet volunteers probably could not prevent a Syrian defeat, but COOLEY, YOUNG, and STRAYER did not regard the possible provocation of an Israeli attack as an inhibition on sending volunteers, since the USSR would estimate that it could go to the General Assembly and win its case. MOSELY's suggestion that the arrival of volunteers might provoke an anti-Soviet coup in Syria was not thought persuasive. There was general agreement, however, to his point that if the US wanted Iraq to conquer Syria, it should remain outside the Pact.

BLACK summarized that the Soviets can always offer enough so that the Arabs will be under no pressure to settle the Israeli conflict. Therefore, he concluded, probably we must deal with and support all the Arab countries. But this, STRAYER objected, would lead to progressive blackmail; the US cannot get commitments from Arab friends so long as the USSR provides alternatives. [ ] argued that announcement of US accession would confront us with many unpostponable choices and destroy our maneuverability, but STRAYER feared that continued maneuverability might mean a continued absence of policy.

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COOLEY asked whether a settlement worked out and endorsed by the General Assembly might not gain Arab acceptance and leave pipelines intact. YOUNG was not sure, saying that Asian and Soviet endorsement would also be required. A solution backed by strong US and Asian pressure and not vigorously opposed by the USSR might work. COOLEY suggested that such an effort might have the value of splitting India and the USSR.

MOSELY thought that US accession would be incompatible with present US policy, which apparently aims at getting the French and British out of Egypt, leaving Nasser untouched, and working for a settlement through the UN.

LANGER stressed the asset of potential US aid in dealing with Egypt, although STRAYER objected that this would merely replace Soviet aid without forcing Nasser to change his policies. LANGER replied that we have to deal with an existing, not an ideal situation.

CLARK asked whether some dramatic Soviet riposte might be expected if the US joined the Pact. KNORR admitted that there wasn't much additional harassment they could add but felt that this action would increase Arab receptivity to Soviet influence. BLACK agreed, saying that Soviet gains have been due to Western errors and would decline if these errors were reduced. The group in general thought there was some possibility of a strong Soviet counteraction.

### III. FRIDAY SESSION

COOLEY solicited comments on the overall nature of the paper, what was in it, what was missing, organization, etc..

LANGER remarked that the crucial question in the paper seemed to him to be the concluding paragraphs on the danger of war, and he thought these should be moved up to the front of the estimate. He then said he would settle for giving them prominent space in the conclusions.

KNORR contended that the question of war was not really the meat of the paper, since the estimate on this matter was not really news to anyone. He would bring up to the front those questions that are really news -- e.g. Soviet actions and capabilities in situations short of war.

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KNORR also thought that the paper had too little emphasis on trends and strains in the Western alliance system, and proposed that this be beefed up even if it were at the expense of cutting the discussion of trends in the Bloc.

STRAYER also thought that the paper need not discuss so much the risks of general war as the risks that the Bloc may attain many of its objectives without war. He noted that the West is at something of a disadvantage in the UN, since most of the problems coming before the UN involve colonialism or imperialism, which the Bloc can exploit.

There was general agreement that the paper needed more consideration of the outlook for and implications of the growing role of the UN in crisis situations; how and to what extent, for example, will this advance or hinder Western objectives; how will it affect the freedom of action of the West. [redacted] added that the same questions should be explored with reference to the UN's effect on Soviet capabilities and actions. (b)(3)

LANGER expressed his concern over the absence of any discussion of the future status of US military bases and any real evaluation of the future development of the German and Japanese positions, particularly the German reunification problem and the question of Soviet-Japanese relations in light of the new Soviet-Japanese agreement. The outlooks for European integration needed further emphasis.

LANGER thought the paper needed to more boldly answer the question as to whether the overall Soviet position has been weakened or strengthened in the past six months; for example, have developments in Hungary been offset by Soviet gains in the Middle East? Are the forces that have emerged likely to continue operating in the same way? He thought there was too much schematization of possible Soviet policy in the future. Degree of repression and concession will probably depend on Soviet reading of its requirements and opportunities at any one time.

Most of the consultants agreed that the key issue of Soviet strengths versus weaknesses tended to be buried in too much descriptive detail. There was also some general misgiving over the time-span of the paper, or rather the absence of an explicit definition of the period covered. COOLEY noted the difficulties of being too precise in this respect, observing that he and WILLIAMS thought the span should be more than six months and less than five years. LANGER thought five years too long for any but the vaguest

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estimates, though VANSLYCK pointed out that it was possible to make some useful long range projections of trends and particularly to define long-range problems likely to continue or to arise. COOLEY and VANSLYCK both noted the difficulties of imposing a year limit on the paper because this might lead to misleading impressions regarding long-range trends.

BLACK's chief criticism was that more emphasis should be given to the trend in Asia for industrialization and modernization. The popular appeal of modernization in these areas, he felt, was as important as that of nationalism, and the USSR had shown itself successful in hopping on the bandwagon in respect to modernization as well as in respect to nationalist movements.

LINDER observed that the Soviet approach to modernization requires a political revolution, and this limits the appeal of the Soviet approach to non-Communist Asians (Nehru et al.) who want to avoid that kind of a political revolution. On the other hand, he noted that the West's ability to associate itself with this trend in Asia was limited by the relative immobility of free economies not (as in the Soviet case) under thorough political direction.

BLACK agreed with LINDER objectively on the question of the limits of the Soviet appeal to Asians, but subjectively he insisted that even anti-Communist Asians are very impressed by the Soviet example and approach towards industrialization.

stressed the need to study the comparative capacity of the West and the Bloc to operate in relation to the nationalist and modernization trends in the underdeveloped areas. (b)(3)

STRAYER agreed, remarking that he thought a 15 year view of this question might reach happier conclusions than a 5 year estimate since the underdeveloped states, though they may in the next few years try half-baked Soviet methods, may also subsequently get disillusioned with them a return to other ways.

On the question of liberalization of Soviet controls, LANGER and MOSELY took different views as to whether trends toward liberalization constitute a one-way street. MOSELY believed that it was not a one-way street, that a reversion to tight control might succeed. LANGER thought such a reversal would be extremely difficult once populace got accustomed to less repressive methods.

The remainder of the day was devoted to a paragraph by paragraph discussion of the World Situation paper.

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