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f. Task Force "B" believes that its proposal does not differ substantially in the magnitude of commitments and responsibilities from U.S. policy today, except for the matter of a clarification of our commitments and a candid and forceful public statement of our policy. It believes, however, that this exception is of vital importance. Under present policies not only do we leave dangerous uncertainties in the minds of both friends and enemies abroad; we also fail to provide a stable basis at home for maintaining the military posture that could reduce the danger.

B. POLITICAL AND PSYCHOLOGICAL IMPLICATIONS OF ALTERNATIVE "B".

1. Alternative "B" provides the only reliable barrier against new Soviet Bloc aggression.

a. The main danger to peace arises from the risk that the Soviet leadership may embark upon new military moves at selected "soft spots" on the assumption that the United Nations is impotent to act and that the United States has not made up its mind (a) whether or not to oppose with military force any specific act of Soviet aggression and (b) whether to oppose aggression by peripheral defense or by strategic use of its full power.

b. Persistence of this obscurity tempts the Soviet Government to misjudge the probable gains which it can secure from one or more peripheral aggressions and to miscalculate the risk of provoking a general war. The proposed policy eliminates this twilight zone by making clear that the United States will retaliate with all the power at its disposal against any Soviet or satellite aggression across the periphery of the Free World. Likewise,

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it makes it clear that the United States, as under its present policy, does not propose to initiate armed aggression against the periphery of the Soviet Bloc.

c. This is a statement of U.S. military capabilities and political intentions which the Soviet leaders can understand, and to which they can adjust their practical policies just as they have done in the past whenever the balance of power in the world was unfavorable to the expansion of their control. In the opinion of Task Force "B", judging from the record of the past and from the evidence of Soviet caution in the face of the danger of general war, the Soviet leadership will take such a statement of U.S. policy seriously and will avoid challenging it by direct military moves across the Free World periphery.

2. Alternative "B" supports the principles of the Charter of the United Nations and should ultimately strengthen the ability of the United Nations to preserve peace and security.

a. The first stated purpose of the United Nations is "To maintain international peace and security," to prevent and remove threats to the peace, and to suppress "acts of aggression or other breaches of the peace" (Article 1 (1) of the U.N. Charter). Under Article 2 (4) all members have agreed to "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state . . ."

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b. Alternative "B" places U.S. strategic power behind these principles of the Charter which the U.S.S.R. in the past has been able to flout. It supports the right of every state to be free from "the threat or use of force against its territorial integrity or political independence" It represents no threat to the Soviet Bloc unless Soviet or satellite forces are used to commit aggression in violation of the Charter.

c. The Charter also provides that "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations, until the Security Council has taken the measures necessary to maintain international peace and security" (Article 51).

d. The various alliances to which the United States is now committed are built on this right of individual and collective self-defense. The proposed policy merely gives a somewhat wider application to a principle which is already accepted by the United States and many other nations. It affirms the intention of the United States to invoke Article 51 of the U.N. Charter and become an immediate, full partner of any nation of the Free World which may be attacked by the Soviet Bloc.

e. From the beginning, it has been recognized that the United Nations can operate effectively only if the great powers have an overriding joint interest in maintaining peace and in acting in concert to prevent or punish aggression. This common interest has so far been lacking since the Soviet Government regards U.N. membership as a means of preventing resistance

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by the United Nations or its individual members to the expansion of Soviet control over other states. Once the United States makes clear its determination to use its full power against Soviet aggression, the Soviet Government will, for the first time, have a vital interest in preventing the outbreak of general war and in respecting the territorial integrity and political independence of the states of the Free World. Whatever attitude the Soviet Government takes toward the United Nations, that organization should have a better chance to grow up to its responsibilities and to become effective in safeguarding peace and security once the full military power of the United States is committed to action against the Soviet Bloc in case of armed attack across the Free World periphery.

f. The U.N. Charter contains specific provisions for collective action in the event of breaches of the peace and acts of aggression, such action to be determined by the Security Council. The United States, in arrogating to itself the right to decide when aggression has taken place and what should be done in retaliation, and to resort to military force to carry out those decisions, could be charged with setting itself up as policeman for the world and with acting unilaterally in violation of the spirit of the Charter. It is clear, however, that the United Nations, while it might take an immediate and strong stand in the event of new aggression, as it did on Korea in 1950, cannot be counted on to take effective action, and that to make U.S. action dependent on a decision of the Security Council, where the U.S.S.R. has a veto, or on a vote of the General Assembly would rob the

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warning of general war of its desired effect and nullify the essential purpose of Alternative "B".

3. Alternative "B" favors the development of regional groupings and more effective cooperation for defense among Free World nations.

a. Adoption of Alternative "B" by the United States will convince the other nations of the Free World of the utility of their own efforts to reinforce their security through forming or strengthening regional groupings for collective defense. It will place clearly before them the decisions on how much they are willing to do, individually and collectively, to strengthen their internal security against subversion, to raise the cost and thus lessen the likelihood of Soviet aggression, and to improve the prospects of their survival in case the Soviet leadership should at some time provoke a general war. It will make regional defense efforts more purposeful and more hopeful, strengthening the understanding that the individual nation can no longer assure its own defense single-handed or on the basis of arrangements for U.S. aid, but only through solid and enduring regional groupings. Moreover, clarification of U.S. policy with respect to Soviet aggression may make some of the dangerous intra-regional problems, such as Franco-German differences, easier to solve and should enable the U.S. to play a more constructive role in the search for such solutions.

b. By bringing into proper perspective the central fact that U.S. strategic power is the sole ultimate deterrent to peripheral Soviet aggressions, Alternative "B" will undercut the suspicion, widely propagated

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abroad, that the U.S. aim in supporting regional defense pacts is to "get other people to fight its battles." The United States will no longer be in the ridiculous and dangerous posture of begging the countries directly menaced by Soviet aggression to defend themselves, although it will be ready to assist them in strengthening their defenses and to participate with them in regional groupings.

4. Alternative "B" promotes the development of a "Free World loyalty."

a. In Western Europe, particularly in France, Germany and Italy, the inability of the traditional nation-state to provide for the physical protection of its people has greatly weakened the active loyalty of many groups to the state. Only a small part of this "disattached loyalty" adheres to supra-national European, Christian and democratic-Socialist symbols, whereas a very large part attaches itself to the spuriously supra-national symbols and action organizations of Moscow. At present the differential redistribution of this "disattached loyalty" works to Soviet advantage and to U.S. disadvantage. The creation of active hope for the successful and prosperous survival of the Free World, clearly backed by U.S. power and by effective regional groupings, will arrest and may well reverse this unfavorable trend.

5. While Alternative "B" provides no ironclad guarantee against pro-Soviet subversion of states within the Free World, it offers the best prospect of forestalling subversion or limiting its effects.

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a. Through inhibiting Soviet moves to gain territory by moving armed forces across the Free World periphery, the proposed policy neutralizes one of the strongest Soviet instruments of political expansion: the near-by presence of superior Soviet or satellite forces prepared to assure the victory, or the continued existence, of a pro-Soviet regime in the victim country.

b. Weak states living close to the Soviet periphery will have less reason to fear Soviet political pressure and the threat of subversion. Creation of this deterrent against Soviet aggression will strip down the Communist and pro-Communist internal forces to the hard core and inhibit their ability to attract or blackmail large numbers of timid and self-seeking persons who now follow the Communist line. In some free countries of Western Europe, where a large part of the Communist Party vote represents either a protest against existing conditions or fear that the country will in the not distant future come under Soviet domination, Alternative "B" will reduce the presently worrisome possibility that such countries may lose their freedom through the processes of free elections.

c. The Soviet leadership may still be able to foster pro-Soviet regimes by political means, without actually moving a soldier or a plane across the Free World periphery, but Alternative "B" offers the best prospect of either forestalling subversion or limiting its effects. Since the country in danger of subversion will be closely linked to the Free World, a pro-Soviet overturn is less likely to happen without warning, and the Free World will

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have a better opportunity to take preventive measures. Realizing in advance that a pro-Soviet overturn may expose their country to the risk of a general war brought on by Soviet aggression, the leaders and people of a country menaced by subversion will be much less likely to acquiesce in subjugation.

d. Under paragraph 3 of the policy defended by this Task Force, the United States reserves freedom of action, in the event of indigenous Communist seizure of power in countries of the Free World, to take all measures necessary to re-establish a situation compatible with the security interests of the United States and its allies.

e. If a Free World country should come under the control of a pro-Soviet regime, the United States could still invoke the threat of retaliation by general war in order to inhibit the movement of Soviet Bloc forces across its borders, even if invited. True, the crossing would be more difficult to detect and certify, since the newly subverted state might cooperate with the Soviet regime in attempting to deny or conceal the movement of Soviet forces across the periphery. But aggression by substantial forces cannot be long concealed.

f. If Soviet or satellite forces are inhibited from moving in, the Free World will retain a wide range of non-military weapons through which it can exert political, economic and psychological pressures on the subverted state. While Alternative "B" leaves open the question whether the United States would resort either to local intervention or to general war in order to restore the Free World periphery, this degree of political uncertain-

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ty is far narrower than the present uncertainty as to whether the United States will, if necessary, use its strategic power to prevent encroachments upon the Free World.

g. If the United States decided to accept the fact of the addition of a formerly free state to the Soviet Bloc, the line of Alternative "B" would be considered redrawn accordingly.

6. Alternative "B" would strengthen, on balance, British and French support of U.S. policy.

a. The proposed policy emphasizes the preponderant role of the United States in the defense of the Free World and the relative decline which has occurred in the great-power status of Britain and France, i.e., in their ability to defend themselves by their own forces and to exert power outward from their relatively shrunken power centers. Any resentment and jealousy on their part should be tempered by the fact that henceforth the United States itself will be the really vital target for Soviet all-out attack. In addition, Alternative "B" will reduce the menace which peripheral and colonial wars represent for Britain and France in areas, particularly in Asia, where they have considerable direct and indirect interests. Their positions will be greatly strengthened by knowing that, if the Soviet leadership embarks on a peripheral war against them or any of their overseas possessions or spheres of interest, the full U.S. power will be exerted on their side from the beginning.

b. It should be made clear to Britain and France that, after



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the adoption of Alternative "B", the U.S. will continue its frequent and regular consultations with them concerning the whole range of Free World-Soviet relations.

c. Britain and France will also have prominent roles in implementing the defense of the Free World through regional defense groupings. However, the United States must deflect and if necessary resist their pressure to secure a "veto" over the ultimate U.S. power of decision to invoke general war against Soviet acts of substantial aggression. The more actively Britain and France participate in implementing Alternative "B" up to but excluding the ultimate decision on general war, the more readily they will accommodate their policies to the American position as one based realistically on the actual location of responsibility. Such tripartite cooperation will also make it easier to obtain general concurrence from regional groupings such as NATO.

7. Alternative "B" strengthens the security of Free World states, including those at present uncommitted to the active defense of the Free World.

a. Alternative "B" will reinforce greatly the confidence of other NATO members in the ability and determination of the United States to exert its full power effectively and promptly in retaliation against Soviet aggression. There will be some objection on the ground that NATO may be drawn into general war by a unilateral U.S. decision growing out of Soviet action outside the NATO area, but this possibility already exists un-

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der present policies.

b. Countries which are now divided, such as Germany, Austria, and Korea, will feel an initial resentment based on their belief that the new policy recognizes and perpetuates these divisions. However, the United States will make clear that its policy with respect to unification of these countries remains unchanged; it has never promised to initiate the use of military force in order to reunify them but it will continue to take every non-military initiative to this end. Positive proposals for German unity on terms acceptable to U.S. interests can be put forward as a basis for negotiation at roughly the same time that the proposed policy is announced.

c. The Chinese Nationalist regime on Formosa may regard the policy as denying it the opportunity to liberate mainland China; however, Task Force "B" does not believe that temporary discouragement resulting from this reaction will have any substantial effect on such political and military value as the Chinese Nationalists may have for the West.

d. The Japanese people will feel greater confidence in the efficacy of the U.S.-Japanese security pact and will consider that Alternative "B" reduces the likelihood of a Soviet aggression directed primarily at them. It will clarify the range of permitted and mutually profitable trade with the Asiatic mainland and thus improve the operation of the Japanese economy.

e. The proposed policy may be widely regarded in the Middle East and South Asia as a U.S. assertion of authority incompatible with their

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jealously guarded independence and sovereignty. Such objectives would not deprive the policy of its desired effect and could hardly make the problems in U.S. relations with these countries much more difficult than they are at present. In due course, moreover, these countries should realize that the proposed U.S. policy enhances their security and improves their ability to utilize their newly won or restored sovereignty to the greater benefit of their people.

f. Supporters of any policy which envisages a series of peripheral wars in Asia in which the United States must continue to pour out its manpower and resources against Asian armies, yet cannot win any more decisive victory than to block an individual local aggression, must take into account not only the human and material cost but also the effects on U.S. prestige and the psychological impact upon the peoples of Asia. Alternative "B" will enable the United States to project its power into Asia while at the same time avoiding the types of situations, both military and political, which tend to turn the tides of Asian sentiment against the United States and the West.

g. The Latin American states will feel that the proposed policy improves the possibility of inhibiting new Soviet aggression and thus increases the security of the Western Hemisphere. They would not be called on to take military action unless a Soviet attack took place within the area specified by the Rio Treaty of 1947.

8. Alternative "B" may improve the ability of the satellites to resist complete integration into the Soviet power-system.

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a. The first impact of the proposed policy will probably be to discourage pro-Western elements within the Soviet Bloc. It will seem to them that the United States has again "recognized" the "right" of the Soviet Union to control these countries. The elements of latent opposition probably feel that, the more successful the West is in postponing or preventing a general war, the more remote in time is the prospect of liberating their countries from Soviet control.

b. However, the U.S. Government will not be establishing a new policy toward the satellites, for it has never stated that it proposed to initiate military action to liberate them from Soviet control. It will continue to stress their right to freedom and to work by all non-military measures for their liberation.

c. The proposed policy will not inhibit the United States from taking action to support a satellite that, like Yugoslavia, is successful in breaking away from the Soviet Bloc, especially if the new government appeals to the United Nations. The United States will retain a free hand to act as the circumstances existing at the time required, possibly by redefining the Free World periphery which the U.S.S.R. cannot cross without general war to include the country in question.

d. In the long run, it may prove more useful to the captive peoples if the United States sets forth frankly the limits of its policy. False hopes of early U.S. military action have repeatedly led to the exposure and destruction of valuable elements of resistance; any American policy which

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alternately holds out hopes and destroys them must have that result.

e. Under Alternative "B" the peoples of the Soviet Bloc will know that they must adapt their plans to the prospect of an extended co-existence between the Free World and the Soviet world, unless there is an unexpected rapid deterioration in the latter. Pro-Western elements in administration, in industry, in cultural life and even in the Communist parties will know what they must do in order to survive and to take part in their liberation in case a general war breaks out.

f. Being almost universally convinced that Soviet policy will eventually force a general war, the satellite peoples will continue to count on the eventual restoration of their freedom. Unlike Americans, they have memories of decades and generations of covert resistance to hated alien rule and can therefore understand the need for patience and camouflage in order to conserve their latent strength for the day of ultimate liberation. Since they are doubtful of the ability of the United States to defeat the Soviet Union in peripheral wars and are confident of its ability to win a general war, their will to resist Sovietization will be hardened by the adoption of Alternative "B". They will also know that a general war will strike directly at the center of Soviet power; it makes it less probable that their homelands will be devastated by large-scale land warfare and more probable that they will be able to contribute effectively to their liberation.

g. If Soviet peripheral aggression brings on a general war, the liberation of the satellites becomes automatically a direct aim of U.S.

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policy. Both the Soviet leadership and the peoples of the satellites understand this perfectly. Meanwhile, the fact that U.S. power is available to restrain Soviet ambitions may force the Soviet leadership to treat its satellites somewhat less ruthlessly and may even enable the satellite Communist leaders to exercise some degree of bargaining power in their dealings with Moscow.

9. Alternative "B" offers the best chance of deterring Communist China from renewed aggression.

a. While Communist China is not a satellite in the helpless status of Poland or Hungary, neither is it a political entity completely independent of the U.S.S.R. The Soviet leadership will act to control the actions of Communist China if it is convinced that this is necessary in order to avoid the risk to itself of a general war.

b. Since the devastation or conquest of China would not, by itself, weaken seriously Soviet capacity to wage peripheral wars elsewhere or to embark on a general war, the Soviet Government would not be much worried at the risk of a war involving China alone, but would be deeply concerned over the risk of a general war against itself. A renewed threat of peripheral aggression by Communist China can be forestalled most effectively by Alternative "B", which makes it clear to the Soviet leadership that a Chinese Communist attack on a Free World country will be the cause, not of a U.S. peripheral war against China, but of a general U.S. war of retaliation directed against the Soviet Union.

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c. We must recognize that this U.S. policy, initially at least, will bind Communist China more closely to the Soviet Union. At the same time, it gives to the Soviet leadership the maximum incentive to inhibit any new peripheral aggressions by China. No direct strategic or political pressure which the United States can exert on China offers an equally strong opportunity to prevent further peripheral aggressions by Communist China.

d. So long as Communist China has better prospects of achieving its basic aims through close cooperation with the Soviet leadership than through conciliation of the United States, it will continue to work with Moscow and against the United States. Among Communist Chinese aims are: reopening of trade with the non-Soviet world, full membership in the U.N., occupation of Formosa and elimination of the Nationalist regime as a potential competitor, domination of Korea, annexation of Hong Kong, neutralization of Japan as a prelude to making it into a satellite, establishment of Communist regimes in Indo-China, Thailand, Burma, Malaya, Indonesia and the Philippines, and assistance to Indian Communists in establishing a Communist India. Only the first two of these aims - reopening of trade and membership in the U.N. - are compatible with the interests of the Free World. The entire roster of Chinese Communist aims is fully compatible with Soviet aims, leaving to one side the question, of no practical significance at present, whether too many successes by China would tend to raise its bargaining power within the Sino-Soviet partnership.

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e. China's desire to reopen trade with the Free World is not a strong enough factor in itself to lead its government to make political concessions or to relax its expansionist ambitions. Both Russia and China believe that the West needs their trade and that competing capitalists will sooner or later vie with each other to trade with them. Alternative "B" will make it clear to Moscow and Peiping that they cannot rely on commercial competition to destroy the political unity of the Free World in its resistance to aggression and will therefore make it safer for the Free World to reopen trade in non-strategic goods. Reopening Free World trade with China, under the political situation thus created, would improve China's bargaining power in its dealings with the Soviet Union and might, over time, convince the Chinese Communists of the desirability as well as the necessity of abandoning their expansionist aims and of asserting their independence of the Soviet program of conquest. Alternative "B" does not promise this sequence of desirable events, but it does most to encourage this line of development.

f. If Communist China becomes restive in its unequal partnership with the Soviet Union, it may decide to pursue separate interests of its own. But it is not likely to undertake armed aggression in defiance of the U.S.S.R. If the Chinese Communists decide to free themselves of Soviet dominance in the foreseeable future, they will see several ways of doing so less dangerous for themselves and more profitable for China than provoking the U.S. to general war by armed attack across the Free World periphery.

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g. Differences of interest between the two regimes exist potentially, but are far less effective at present than those interests and ambitions which bind them together. Probably the best way at this time to make these potential frictions useful to the Free World and to promote ultimate separation of China from Soviet leadership is to ignore them, to treat the Chinese Communists as Soviet satellites, to hold Moscow as well as Peiping, responsible for any aggression by Communist China, and thus to maximize frictions between them, while inhibiting both from pursuing their common aims through aggression.

10. Alternative "B" offers the possibility of attaining or maintaining solutions of the presently active peripheral conflicts in Korea and Indo-China.

a. If the conflict in Korea is stabilized, either by truce or political settlement, Alternative "B" provides a means whereby the border separating the Republic of Korea from the Soviet Bloc can be guaranteed by the warning of general war. Such a warning will provide security to South Korea without the assumption by the United States of an obligation to defend South Korean territory on the spot, and it should make possible the withdrawal of the bulk of U.S. forces from Korea. If the United States has already concluded, or is committed to conclude, a mutual assistance treaty with the Korean Government, the warning of general war will be useful in backing it up.

b. The application of Alternative "B" to the Indo-China

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situation will dispell the present strong possibility of substantial military intervention by Communist China. The problem of dealing with the Viet Minh can then be better assessed by France, by the Associated States, and by the U.S. Government, and dealt with decisively without fear of meeting a situation such as developed when the Chinese came into Korea in force.

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C. ECONOMIC IMPLICATIONS

1. Meeting the requirements both of peripheral wars and preparation for general war over a long period places a dangerous strain on the U.S. economy.

a. Task Force "B" considers the external threat to the very existence of the United States more important than any internal threat to its economic and financial stability, even though provision for the effective defense of the United States in turn depends to an important degree upon the maintenance of internal economic and financial stability. Accordingly, the fullest use practicable of the economic resources of the United States will be necessary to provide for this defense as long as the present Soviet threat continues. The level of provision of funds for defense will, however, be importantly conditioned by the willingness of Congress and the public to bear taxation. This willingness will be affected by the awareness of Congress and the public of the gravity of the Soviet threat to our national security.

b. It is of great importance that the resources of the United States should be used with maximum effect in the provision for defense needs, so that the likelihood of inflation or of the comprehensive and extreme measures necessary to control inflation may be reduced to the minimum.

c. The continuation of a policy by which we must be prepared for Korea-type wars all over the world - and actually fight such wars whenever the Soviet leadership decides to launch them - as well as to prepare to fight

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a general war, and by which we must provide economic and military aid sufficient for a policy of local containment everywhere, will eventually create unnecessarily great stresses and strains in the U.S. economy. Under such a policy, pursued indefinitely, both higher taxes and budgetary deficits would be unavoidable, and comprehensive and rigid economic controls would eventually be required.

d. All these consequences could be endured and would have to be endured if they were really necessary to provide for the survival of the United States. The real economic hazard inherent in an unwise foreign policy which would impose such heavy expenditures over a long period would be that such expenditures might leave insufficient resources available to provide adequately for some vital aspect of national security, such as continental defense.

e. By introducing clarity and firmness into its position through Alternative "B", the United States will be able to avoid the uncertainties and dangers inherent in our current foreign policy, as well as the unnecessary expenditures involved therein.

2. Removal of the threat of piecemeal Soviet aggression would enable the United States to employ its resources most effectively for national and Free World security and to maintain its economic position over the long-term in the face of growing Soviet economic power.

a. It is not argued that the adoption of Alternative "B" would enable the United States to decrease the present levels of expenditure

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for national defense. These expenditures may have to be kept at the highest level practicable for the indefinite future. The proposed policy will, however, enable us to employ our economic resources more effectively for military preparation than at present. Relatively greater economic resources could be allocated to preparation for waging general war with its accompaniment of the development of atomic and other unconventional types of weapons. Relatively less economic resources need be allocated to preparations for the defense of areas of little strategic importance. The proposed policy, moreover, would help to eliminate the peaks and valleys in our defense expenditures now associated with successive crises of threatened or actual localized aggression by the Soviet Bloc, together with the economic fluctuations engendered thereby.

b. Soviet economic capabilities are probably developing somewhat more rapidly than our own, although not spectacularly so. None of the three alternative policies affords the possibility of altering significantly this assumed somewhat greater rate of Soviet economic growth. The evidence clearly shows, however, that during the next decade the economic strength of the U.S.S.R. will not nearly attain parity with that of the United States nor will the relative economic position of the U.S.S.R. improve to a degree involving an unacceptable risk to the United States. During a period of this length, in which our own economy continued to remain stable and to expand, changes in conditions within the Soviet Bloc or in the nature or attitude of the Soviet regime could significantly reduce the threat which

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Soviet-Communist imperialism now represents.

3. Adjustment to the situation created by the proposed U.S. policy would be less easy and less advantageous for the U.S.S.R. than for the United States.

a. At present the initiative rests with the Soviet Government in deciding whether, where and when peripheral wars are to be waged. It is unnecessary for the Soviet Government to prepare for local wars which it does not plan to wage. Nor does the Soviet Government have to expect peaks and valleys in public support for armaments expenditures as does the United States under present policy.

b. If the U.S. Government made it clear that any war which would be fought would be a general war involving the use of atomic weapons, it could be expected that the U.S.S.R. without reducing its total military expenditures would shift more of its economic resources into preparation for this type of war than would otherwise be the case. However, the gain to the U.S.S.R. in the precision with which its economic resources could be allocated would be much less than in the case of the United States, since the reduction in uncertainty would be so much less. Moreover, traditional Russian reliance on large land armies and the need for conventional forces to maintain control within the Soviet Bloc would act as a brake on such a readjustment.

c. The elimination of peripheral wars would also rob the Soviet leaders of the advantage they now possess in being able to use the

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resources of a satellite such as China in war against the United States while conserving Russian resources.

4. As in the case of the United States, the adoption of Alternative "B" would enable the other countries of the Free World to utilize their economic resources to best effect.

a. Under present circumstances, the governments of these countries know that it is well-nigh impossible to provide a level of armaments' expenditure great enough to be able to resist Soviet military aggression at each spot where it may occur so long as the atomic power of the United States is not invoked. Without the assurance that resistance to aggression on their part would be accompanied by the application of the full military force of the United States at points of maximum effect, each country faces the discouraging prospect that preparation for defense may only insure that a long and perhaps inconclusive war will be fought on its territory. Fortified with that assurance, and also with the knowledge that the United States had provided a real deterrent to Soviet attack, they could provide more effectively for their own defense and would no longer need to feel that they were dissipating their economic resources in trying to reach the unattainable goal of being able to provide purely local defense against Soviet aggression.

b. It might be argued that if Alternative "B" were adopted each country would rely simply upon the deterrent effect on the Soviet Union of such a declaration and refuse to provide for its own defense at all. This temptation exists, however, for each individual country under existing

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policy. Denmark or the Netherlands, for example, might well argue even now that nothing they do in the way of preparation for war will have a decisive effect in determining the outcome of any war in which the United States and the U.S.S.R. are the principal antagonists. The United States at the present time can, indeed, appeal to the public conscience of such a country and even threaten to withhold economic and military aid in order to insure defense contributions. All these possibilities of persuasion and of sanctions by the United States to ensure a fair sharing of the burdens of mutual defense will still exist under Alternative "B".

c. The proposed U.S. policy will furnish the temptation to some countries to demand increased economic assistance from the U.S. There is no reason, however, why it will be either more necessary or more desirable to provide increased aid. Actually, taking into consideration the lessened danger of aggression and the more efficient use of economic resources for defense, such aid as is rendered should produce more in the way of results than comparable assistance in the past. Removal of at least part of the substantial element of fear, which has built up Communist strength in free countries, should increase the confidence and political stability upon which economic strength and progress in these countries so largely depend. These factors should reduce the amount of economic aid the United States will need to furnish.

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5. Alternative "B" is compatible with some expansion of East-West trade, but the basic criterion on trade control policies will still be the balance of advantage to the Free World.

a. The implementation of Alternative "B" does not depend upon a strengthening of the barriers to East-West trade, since even a complete severance of such trade would not prevent, though it would hamper somewhat, the progress of Soviet armament. Furthermore, short of conditions or all-out war total severance of trade would be completely impracticable.

b. The adoption of the proposed policy will probably have the psychological effect of increasing pressure from our allies for the relaxation of barriers to East-West trade. Some relaxation of controls might even be proposed by the United States concurrently with the announcement of the new policy. The reduction in trade now occasioned by these barriers is an economic cost both to the Soviet Bloc and the Free World. Whether certain of them should actually be reduced or even eliminated depends upon whether the Soviet Bloc or the Free World suffers the greater injury by their retention. This criterion would remain the appropriate touchstone for decision as at the present time. The elimination of peripheral "shooting wars", however, would make it possible to decide the desired level of East-West trade upon a less emotional basis.

D. PROBABLE SOVIET REACTIONS TO ALTERNATIVE "B".

1. Task Force "B" is convinced that the Soviet leadership desires to avoid general war, will take the U.S. warning seriously, and will not take

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the risks involved in starting new peripheral wars, at least until such time as the power equation has become much more favorable to the U.S.S.R. through such developments as the growth of Soviet atomic power or the disintegration of the Free World coalition.

2. The Soviet Union is likely to adopt a defensive military posture, continuing a high level of military expenditure and capital investment and strengthening the economic self-sufficiency of the Soviet Bloc. It can be expected to retain sufficient control over its satellites in Europe and to exert sufficient pressure on Communist China to prevent action by these regimes which would involve the U.S.S.R. in general war. Fearing general war, it will retain Soviet and satellite armed forces within the present Soviet Bloc periphery.

3. The Soviet Union will continue to exploit political and propaganda methods to stimulate friction and disunity within the Free World, in the hope of disintegrating it. Within the non-Soviet areas, it will use Communist elements (a) to confuse and divide the Free World, and (b) to prepare to carry out diversion, sabotage and espionage in case of a general war.

4. The Soviet Union may, however, combine a defensive military posture with a more offensive political program. It may actively encourage, by political, economic and propaganda means, the coming into power of pro-Soviet regimes in politically vulnerable countries situated within the Free World periphery. It may count on divisions of opinion within the Free World over what to do about such cases of non-military subversion to assure the

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survival of pro-Soviet regimes without the threat or promise of Soviet armed assistance. With the sharpened polarization of strategic and political power between the Soviet and United States centers, the Soviet leadership will continue to work to transform all forms of anti-American feeling, fed by social, economic and national discontents, into "neutralist" or actively pro-Soviet feelings.

5. It is possible that the Soviet leadership may go farther and decide to offer armed protection to any adjacent Free World country which may come under the control of a pro-Soviet regime, at the risk of a decision by the United States to reply by general war. The Soviet Union may reckon on confusing the issue so as to place the label of aggression on retaliatory U.S. actions and may rely on the restraining influence of U.S. allies or friends to prevent the United States from carrying out the threat of strategic retaliation. The Soviet leadership would be unlikely, however, to adopt this course in the foreseeable future unless it believed, correctly or incorrectly, that it could both survive an atomic war and enlarge its power base decisively.

6. Even though adopting initially a defensive posture, the U.S.S.R. will be working frantically to achieve atomic plenty, avoiding the risks of general war until its atomic potential has grown to a point at which it will, by Soviet calculation, (a) deter the United States from exerting its own atomic potential, or (b) deprive the United States of the capability of continuing the atomic war to victory. The Soviet Government may believe that, with the balance of atomic power thus evened up, the final decision could then

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be imposed, not by the atomic factor, but by its own more powerful conventional forces. At this point, the U.S.S.R. might run great risks of a mutually destructive general war in order to annex important peripheral areas of the Free World, to terrorize weaker states of the Free World into "neutral" or satellite status, to divide the United States from its allies, and to isolate the United States in the Western Hemisphere or in North America while it was engaged in absorbing and exploiting the power potential of Europe, Asia and Africa.

7. The ability of the Soviet leadership, over a considerable period of time, to carry on successfully this policy of waiting, preparation and ultimate assumption of great risks and sacrifices, is uncertain. It would require the indefinite and unrelenting maintenance of present Soviet psychological pressures. These pressures are based on a remnant of revolutionary enthusiasm grown stale after 35 years even within the top leadership and on the aftermath of defensive counter-offensive national upsurge against Hitler's unprovoked effort to conquer, destroy or enslave the Russian people "for a thousand years". Over time, these psychological factors, at present favorable to Soviet purposes, will lose their force.

8. Finally, it is within the realm of possibility that the U.S.S.R. will gradually relinquish the active and increasingly risky pursuit of its program of world expansion. In the past the Soviet leadership has shown considerable flexibility in adjusting its immediate goals to changes in real and recognized power situations. It would be as wrong to assert that Soviet

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policies and aims will never change over time as to predict the exact nature of such changes.

9. It cannot be ruled out that internal struggles for power or other strains on the Soviet regime may bring changes in Russia's posture and attitudes toward the Free World. Internally, the Soviet system has hardened into an all-powerful bureaucracy bound together by the exercise and enjoyment of power. Now that the limits of Soviet control have been pushed far beyond the pre-1939 territorial boundaries, the leadership cannot assume that the Soviet masses share emotionally and support enthusiastically the ambition of the rulers to expand their empire still further. As further expansion is rendered more risky by an American policy which clearly defines the retaliatory threat of general war, the Soviet leadership will have to reckon with increasing reluctance on the part of the Soviet peoples to bear the consequences of its expansionist ambitions and with the latent risk of losing control over them as a consequence of a partial or complete defeat. This may lead the Soviet leadership to value more highly the retention of the power and territory which it has acquired and to measure more realistically the risk of giving effect to its aims of further expansion.

10. Initially, the Soviet leadership will picture Alternative "B" to the peoples of the Soviet Bloc as a new external threat of aggressive encirclement and threatened destruction and will probably succeed in flogging them into continuing the present level of exertions and sacrifices. However, over a period of years, the defensive purpose of American policy will become

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