

~~TOP SECRET~~
SECURITY INFORMATION



3. Actions in the Field of Propaganda and Covert Operations

a. Introduction: General Lemnitzer has outlined a political, military and economic strategy to win the cold war in twelve years. I will recommend action in the fields of two special techniques to support this strategy.

b. Definitions:

(1) The first is "Propaganda", i.e., opinion-forming through all means and media, from the most direct, factual information by the Government officially, to the most subtle forms of "black" propaganda made to issue from the mouths of our enemy.

(2) The second is "Covert Operations", i.e., all actions in support of our overt programs in which it is desirable to mask the hand of the United States.

c. Lessons of the Recent Past

(1) We feel that our propaganda and covert programs have, on balance, failed to date principally for three reasons:

(a) **First**, the absence of an over-all political, military and economic strategy designed to win the cold war;

(b) **Second**, lack of an organization to direct our political, military and economic efforts with a single determination to win. Instead the NSC adopted, in 1948, a covert policy to win (NSC 10/2 - 10/5 series and the 68 series), phrased in very much the same language as this Alternative C. New mechanisms were also set up to employ the two special

~~TOP SECRET~~
SECURITY INFORMATION

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~~TOP SECRET~~
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techniques (OPC and "P" Area of State), But these two techniques have no valid application save as they serve a national political-military and economic strategy. Since there was no such strategy designed to end the cold war by winning it, our relatively isolated propaganda and covert efforts tended to abort.

(c) The third principal reason for failures to date have been faulty estimates of our own and our enemy's strengths and weaknesses. We believe that we have consistently tended to overestimate the risk of provoking our enemy into war by our acts at any time not of his own planning and choosing. We believe we have tended to overestimate the degree to which the masses of the enslaved people were oriented toward the Kremlin conspiracy. We believe we have tended to underestimate the enemy's professional eminence in the fields I am discussing--propaganda and covert warfare. Finally, we believe we have underestimated the degree of willing support which could be expected of the American people in an aggressive campaign to win the cold war.

d. Main Future Actions Dictated by Past Lessons

(1) From these lessons we deduce our first four recommendations for specific courses of action. (SEE CHART).

(a) First - Adopt Alternative C as the national political-military-economic strategy to win the cold war.

(b) Second - Adopt a governmental organization (such as that recommended by the Jackson Committee) for directing the implementation of this strategy and insuring that our propaganda and covert efforts are concentrated in direct support of it.

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



(c) Third - Adopt a bold and aggressive propaganda line and program of covert operations directed at the vulnerabilities of the world-wide Kremlin conspiracy, uninhibited by fears of thus provoking our enemy into overt war.

(d) Fourth - Schedule the covert war so that we concentrate first on areas outside the orbit (where our enemy's countermeasures are least effective) while building up our covert apparatus for penetration of the orbit to a level of professional competence capable of operations where the enemy's countermeasures are most effective. If it takes 10 years to build, as the experienced British and our own experts agree, then we should have such a service about half built now. In another five years (the end of our Phase I), we should have it all built. In the next 7 years of our crucial Mid-term Phase it should begin to pay off. At the end of this period it will be 17 years old and, as we move into the U.S.S.R. proper, should hit the jackpot--if, and only if--we step up personnel procurement and training programs now and don't cut them back for 12 years. The same goes for research and development and for initiating of long-term non-governmental cover (i.e., fronts for our agents abroad other than official U.S. missions). In addition we must complete, with all dispatch, a standby apparatus (admitting that most of its assets would have to be outside the Curtain) capable of supporting the military in case of hot war at any time not of our own choosing or of exploiting an unplanned but promising uprising of one or all of the Satellites at any time not of our own choosing.

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
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e. In terms of Geography and Time (SEE MAP 1-A) we should concentrate our efforts in Phase I on building up apparatus and resources for use against the orbit proper in later phases. The bulk of active operations during Phase I (as distinguished from building activities) should be concentrated on destroying the apparatus of the conspiracy in the free world, especially in the hitherto "neglected" areas of Latin America, neutralist Asia, and Sub-equatorial Africa. During this phase active covert operations against the orbit would be against tactical limited objectives, well within our technical capabilities, designed directly to support the political, military and economic moves scheduled for this phase. During this phase also, we would concentrate heavily on espionage operations into the orbit and limited penetrations for groundwork preparations for later activist operations behind the Curtain. In Phase II (SEE MAP B) while continuing the build-up against the Soviet Union, we would exploit our covert assets in the European Satellites, and in driving a wedge between Peiping-Moscow while merely holding our gains in the neutralist world. In Phase III we would move heavily in from the Western and Southern peripheries into the U.S.S.R. proper and seek to detach Red China from the U.S.S.R.

f. In general, our propoganda line must convince the world that we will end the cold war by winning it. That we will employ all political and economic means available to this end. That we will maintain a military posture strong enough to give our political and economic measures sufficient weight to win; strong enough to deter the U.S.S.R. from turning to declared war as a solution, and strong enough to win if they do. The only end to

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



the cold war acceptable to the United States is a free world with self-government for all peoples.

g. Specifically, our propaganda line must convince the world that:

(1) The Kremlin conspiracy plans to make every nation a slave state and is waging the cold war to this end.

(2) The United States will not risk its future on a reckless wager that this conspiracy will collapse of its own weight and any other country that makes this bet is "rolling dice with destiny".

(3) While abhorring war, the United States will not shun it should it ultimately prove to be the only course to achieve a free world. In coldly objective terms, if such a war is inevitable, it is to the United States' advantage to fight it now rather than five or ten years from now on top of a staggering cost of military preparedness in the meantime. But, the United States does not believe that such a war is inevitable. However, we do believe that it can and will be avoided only in the one single circumstance that the free world, by aggressive cold war means, eliminates the Kremlin world conspiracy.

h. With regard to the American propaganda machine itself, the following suggestions are offered:

(1) Education of the American people on what is being attempted through official propaganda, what it can be expected to do and what we need not expect it to do.

~~TOP SECRET~~
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1-A

FREE WORLD vs KREMLIN ORIENTATION NOW



- STRONGLY ANTI KREMLIN
- MODERATELY ANTI KREMLIN
- SLIGHTLY ANTI KREMLIN
- NEITHER PRO NOR ANTI
- MODERATELY PRO KREMLIN
- STRONGLY PRO KREMLIN

B

FREE WORLD vs KREMLIN ORIENTATION

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TOP SECRET

TOP SECRET

412

~~TOP SECRET~~
SECURITY INFORMATION



(2) Sharp delineation of the activities under headings of overt and covert propaganda. The two must of course be complementary, but the overt organization cannot and should not deal in covert operations.

(3) An organizational formula that will be maintained long enough for the program to attain consistency and continuity. The almost incredible series of reorganizations in the propaganda field since the founding of O.W.I. has represented the greatest single handicap to the program's success.

(4) Technical training of personnel, with specific schooling in Americana, propaganda technique, residence abroad.

(5) Serious recruitment of first-rate personnel at the formative level, with solid career inducements.

(6) Patient study by experienced personnel of possibilities for allied cooperation in propaganda. This means the use, beyond any point thus far seriously tried, of opportunities for "cross propaganda" through combinations with friendly foreign propaganda systems and facilities.

(7) A stabilized budget permitting realization of programs launched, without constant interruption of pace and change of magnitude.

(8) Evaluation of the program on a basis broader than United States statistics or narrow, short-term United States interests. Organization, no matter how good, can do no more than solve the superficial problems in propaganda. Only deep evaluation can guide a program of long-range worth.

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



i. Three specific modifications are suggested in the present propaganda program, viz. (SEE CHART)

(1) Adoption of an "umbrella" theme, repeated over and over-- the dignity and worth of the individual, free in a free world. It must be played in every realm of human progress, under the four freedoms, in nationalist aspirations whenever they coincide with the United States' best interest, in whatever context gives best results for any given area. The catch phrase might be: "You are important."

(2) Adoption of the "pointed output" technique. Too much of our tactical propaganda is still "shovelled" out on a world-wide basis. It lacks pointed meaning for individual peoples. Even the phrases of President Eisenhower need different propaganda handling, depending on whether they are being transmitted to sophisticated Western Europeans or interpreted to relatively puzzled South Asians. Quantity without quality is sure to be dangerous. Three remedies are offered if "pointed output" is to be achieved: (a) Closer working arrangements, in much more determined vein, with local or indigenous propaganda services and private groups. We should cooperate in the propaganda realm as in the military realm. No other single effort could keep us more nearly on the right psychological path in dealing with foreign audiences. (b) Better chosen and better trained personnel should be sent to the field, in terms of knowledge and understanding of the region in which they are assigned--including especially Chiefs of Mission--and most especially in Latin America. They must know languages and they must know people; if they don't we should not appoint

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



them until they do. If it takes time--America is to be here for a good long time---unless we send too many unqualified people abroad.

(c) Personnel in Washington more knowledgeable of overseas problems. Too many directives, too many pamphlets and movies and books, go out because they are meaningful for Americans, but without any psychological or cultural tie to the people for whom they are intended and with no consideration for what foreigners are curious to learn or eager to have guidance on.

(3) A more virile handling of tactical propaganda is required particularly as concerns the current world struggle. We are missing propaganda opportunities every day. An aggressive propaganda drive would let the slave peoples behind the Curtain know that their problem is understood. It would reiterate to free world peoples our continuing determination to stand behind our common principles and to help maintain them for our friends. We can and should strike, strike and keep striking, with ideas and information that ultimately must have a profound cumulative effect.

j. For example, a virile propaganda program would not wait for enemy initiative. It would ask Russia all the questions and repeat the questions even as the defensive answers are coming back, until all the audience-world is asking the same questions:

"Why don't you

--let outsiders see your Russia, if it's the paradise you say it is?

--let your young men visit the free world, if you are sure of their loyalty?

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



--let your people at least see movies of the free world?

--get out of Austria?

--give East Germany free elections, as you have promised?

--give East Germany something to eat, or are you trying
to keep them too weak to revolt again?

--free wartime prisoners--or are they all dead, starved,
and broken in your slave labor camps?"

"Why do you

--prove your "love for labor" by shooting workers down in
the streets and by your thousands of labor camps with
their millions of Russian slaves?

--stifle art and literature and music?

--kill off your most experienced leaders?

--jam the radio-voice of truth--unless you are afraid of
your own people armed with facts?

--restrict the travel of accredited diplomats--are you
ashamed of **your country**? frightened? or just unsure?

--drive out, wherever you penetrate, all hope and all
future and all human kindness?

--promote totalitarianism instead of justice, force instead
of law, guns instead of butter, labor camps instead of
freedom, a mystique instead of a religion, greed instead
of devotion, war instead of peace?"

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



This is the type of question we should be asking every day instead of trying to "sell" the American standard of living as an advertising agency would sell soap!

k. Covert missions should be: (SEE CHART)

(1) To destroy the secret apparatus of the Kremlin conspiracy throughout the free world, with particular attention to elimination of all Kremlin-dominated Communist Parties both overt and covert. (Phase I).

(2) To impair the U.S.S.R. capability to wage hot war. (All phases).

(3) To build as rapidly as possible a stand-by apparatus capable of supporting the military in hot war or of exploiting promising unplanned uprisings in the slave world. (Phase I).

(4) To assist in the liberation of the European Satellites and in driving a wedge between Peiping and Moscow. (Build in Phase I, exploit in Phase II).

(5) To cause the maximum disruption within the borders of the U.S.S.R. (Build in Phase I, develop in Phase II, exploit in Phase III).

(6) To assist in assuring continuing orientation toward the free world in territories from which the U.S.S.R. withdraws or is expelled. (All phases in which appropriate).

(7) Ultimately, to assist in confining the U.S.S.R. to its own boundaries and rendering it internationally harmless. (Phase III et seq.).

~~TOP SECRET~~
SECURITY INFORMATION

TOP SECRET
SECURITY INFORMATION



1. Specific courses of covert action:

(1) Make preparations for:

(a) Coups d'etat in Guatemala and Albania ostensibly through third forces. (For implementation in 1954 or 1955).

(b) The seizure by Chinese Nationalists of the island of Hainan and study the further feasibility of a northerly beachhead on the Chinese mainland.

(c) Early build-up of covert bases in Latin America and Sub-equatorial Africa for early expansion throughout the entire area into a concerted drive to eliminate all Kremlin Communist Party apparatus by 1958. Give first priority to penetration and disruption of groups capable of strategic sabotage in the event of war and make maximum efforts in nationalist, racist, labor, student and religious groups.

(2) Build heavily on present and potential strong points around the world, e.g.:

(a) Europe: New Southeast Balkan Entente (Turkey-Greece-Yugoslavia), Spain, United Kingdom, Norway, West Germany.

(b) Asia: Japan, Philippines, Thailand, E. Pakistan.
(In this area also generate indigenous efforts to attain a federated anti-Kremlin, anti-Peiping bloc of nations).

(c) Middle East: Turkey and West Pakistan.

(d) Africa: Union of South Africa, Ethiopia, British West Africa.

(e) Latin America: Mexico, Brazil, Venezuela.

TOP SECRET
SECURITY INFORMATION



(3) Give all encouragement and assistance to the new South-east Balkan Entente in preparing for an early coup d'etat in Bulgaria (perhaps to coincide in time with the one being prepared for Albania but more probably in Phase II).

m. Conclusion

(1) In Summary I re-emphasize the following points: That we have had a propaganda machine ever since O.W.I. Since 1948 we have had a covert apparatus. To the extent these have failed, two deficiencies are primarily responsible: (a) lack of a national strategy to end the cold war by winning it, and (2) lack of a national "command post" to concentrate our political, military and economic resources on winning.

(2) These two deficiencies will be met, we hope, as a result of this exercise. Another deficiency has been immaturity of our covert apparatus. Too much was asked of it too young. The schedule we set out for winning the cold war allows it 17 years of growth. We feel that this is a reasonable schedule backed by competent technical and professional advice and not to be laughed aside by the timid as unrealistic or beyond our national capacities.

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SEC. III

TOP SECRET
SECURITY INFORMATION



Colonel Goodpaster will now discuss problems of implementation and will evaluate our program in the light of the specific questions and basic issues raised by your Panel.

TOP SECRET
SECURITY INFORMATION



4. Implementation

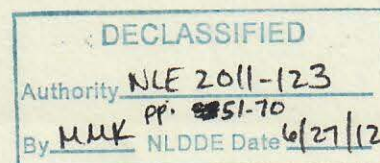
a. You have now heard from Admiral Conolly the objectives of our program and from General Lemnitzer and Mr. Johnston specific courses of action. The program has one further element which is this: the United States Government must take the steps necessary, in terms of organization and procedures, to attain the ability to prosecute effectively this new, stepped-up, more projective type of program and policy.

b. There are three major requirements:

- (1) Speed of action.
- (2) Continuity in policy and programs.
- (3) Security of operations.

Present organization and procedures would not suffice to implement Alternative C successfully. The reason may be briefly stated. What is proposed is an aggressive manner and tempo of waging the world struggle. This will involve the use of conceptions and techniques of international action--such as subversion, pressure and threat of force--previously foreign to us. Present methods of operation of our Government are keyed to a very different--a much more restrained--manner of dealings among nations. The recommendations of the Jackson Committee appear to provide the basis for acting more rapidly and more powerfully along the lines we propose.

c. The first requirement is speed. To seize and hold the initiative we must beat the Soviets to the punch. At the same time our actions must be coordinated, and concentrated on key issues and targets for maximum impact. Broad policy directions must be formulated and periodically





extended at the highest policy level. In the operating departments a careful balance must be struck between over-planning which destroys flexibility, and under-planning which results in too little too late where long-lead time is involved, for example in the development of military forces. There must be coordination and leadership which subordinates lesser objectives to greater ones--agency interests and habits to the national effort.

d. The second major requirement is for continuity in policy and programs. It takes ten years to build a covert apparatus. Basic shifts in balance of military forces reflecting new weapons, such as guided missiles, may take years between conception and actuality. Moreover, an essential feature of Alternative C is the development of a momentum which comes from the steady application of pressure on our enemies and influence on our Allies toward constant ends with maximum continuity of specific programs and policies. Over-fluctuation and inability to set a line of policy and hold to it, particularly in military preparedness and propaganda, can be extremely wasteful, and could vitiate Alternative C.

e. A third major requirement is for security of operations. A careful program of time-phased disclosure of our operations and objectives is an essential feature of our proposal. Only in this way can we gain the advantage of tactical deception. The implications in terms of covert operations and apparatus are obvious. One lapse could destroy years of work. Ours is a policy of the initiative. If we disclose the content of our policy and program to the Soviets or to our Allies, we will have surrendered the initiative.

~~TOP SECRET~~
SECURITY INFORMATION



f. These three requirements are basic. In our opinion, Alternative C cannot work without them. They can in large part be met by actions within the Executive Branch. Certain aspects, however, involve the Legislative Branch, and specifically the linkage between the Executive and the Legislative. For Alternative C to succeed, this linkage must permit the speed, continuity and security that are essential.

C. OVER-ALL EVALUATION

1. Analysis of Soviet Reactions and Evaluation of Risk

a. We turn next to an evaluation of our course of action. Our directive posed to us some twenty basic questions for specific consideration, evaluation and comment. We take them up in the following sections on possible Soviet reactions; the risks run by the U.S.; the results expected; and costs, legislative action, public opinion, and reactions of our Allies.

b. No evaluation of Soviet reactions can neglect the so-called "Peace Offensive" going on at this very moment. Its meaning is unclear, but its very obscurity tells us one thing--that we must not close our minds to any line of action open to the Soviets.

c. There are two points, though, that are basic and are not at all obscure: First, the Soviet Union is not likely to renounce its basic aims. The Soviets retain a mortal hostility, immutable and insatiable, toward the West. Second, the Soviet military capability to inflict massive damage on the United States is on a rising gradient, and will probably pass the critical mark within a decade.

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~



SECURITY INFORMATION

d. Soviet variations and turn-about do not alter these two fundamentals. The Soviets have four principal lines of international action available to them: general war; aggressive pressure; passive defense; and peaceful behavior. With adoption by the United States of Alternative C, they may react in the following principal ways: (SEE CHART--"Risks")

- (1) They may accept the consequences of our actions, thus either appeasing or disregarding our efforts.
- (2) They may actively oppose our line of action by initiating general war.
- (3) They may oppose us by attempting to weaken the free world, including the United States, by a policy similar to our Alternative C in reverse.
- (4) They may oppose us by attempting to frustrate our efforts when and where they occur, by a policy of "containment".

e. The first line of possible Soviet reaction--acceptance of our efforts--would involve essentially no risk to us at all. We believe, however, that the Soviets would soon have to oppose us more actively if we continued to press forward under Alternative C.

f. Should the U.S.S.R. resort to general war, the probability of our ultimate defeat appears quite small, if the military posture proposed by Task Force C has been adopted, but costs would be tremendously great and would include:

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



(1) Damage of the continental United States, losses of personnel, and expenditures of effort and materiel, with money cost to the United States reaching perhaps a thousand billion dollars.

(2) Destruction of the fibre of the free world, particularly Western Europe, measured for example in the difficulties of establishing a viable world order after such a war.

(3) Unlikelihood that a Russia could be created with which the United States could be at stable peace after such a war.

g. Should the Soviets elect to adopt their third line of action--to seek to weaken us, without recourse to general war--they would be doing no more than they have been doing over the past years. If not barred by United States use or threat of force, they could possibly subvert Iran, possibly overwhelm Japan in time, and possibly move by successive stages southeastward through Southeast Asia and the East Indies. They could reduce Finland to the status of a satellite. They are unlikely to be able of themselves to subvert any of the countries of Western Europe in the face of our efforts under Alternative C. However, they could certainly intensify the strains on the cohesion of the Western Allies. We doubt that they could thereby force us to abandon Alternative C.

h. The fourth and final line of action available to the Soviets--to meet our efforts at the point of contact, combat them, and seek to frustrate them--is likely to be widely used, particularly in our early phase when we must take preparatory steps in East Germany, Austria, Korea, and Indo-China. The Soviets can seriously limit what we achieve, and probably in some cases entirely block us.

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



i. The U.S.S.R. is likely to utilize all these lines of action--except general war--in combination. They will combine acceptance of less important United States efforts with attempts to frustrate the more important, and with attempts to weaken the free world, concentrating particularly on the Allies of the United States.

j. With respect to general war, experience following outbreak of the Korean War indicates an area within which the United States could move with some assurance. While the West was still at its all-time weakest, the U.S. reacted strongly, defeating both North Koreans and Chinese in Korea by mid-1951, and moving four additional divisions into Europe. These actions challenged the Soviet predominance but the Soviet Union did not consider them as adequate cause for resort to general war. The threshold of provocation, we judge from this, is a relatively high one. When and if the Soviets decide to initiate general war, they will do all in their power to make it at a time and over an issue of their own choosing.

k. There are, moreover, powerful deterrents against deliberate resort to war in the near future working on the Soviets. The first is their inability--which they cannot fail to recognize--to launch and sustain a war against the United States with any real hope of ultimate success. The Soviets withdrew from Iran and did not press the war in Greece or their threats to Turkey once United States involvement was made clear. Until the Soviet industrial base is stronger in relation to that of the United States, and until the great United States superiority in atomic

~~TOP SECRET~~
SECURITY INFORMATION



capability has been offset, the Soviets are strongly deterred from outright challenge. To the Soviet Union, the greatest provocation is weakness.

l. United States adoption of Alternative C may cause a shift in present Soviet policy. If their present policy, still highly obscure, is in fact "passive containment" or even "true peace", Alternative C would tend to force them to revert to a more aggressive line, unless stresses and strains within the Soviet orbit prevent this. But if the present Soviet policy is really one of aggressive pressure, with merely a temporary tactical lull for purposes of deception, there is good reason for them to continue what they are doing, at least for a short time. The tactic of temporary lull--the "Peace Offensive"--may be an extremely effective way for the Soviets to seduce the Allies of the United States from cooperating in an Alternative C program; they themselves have repeatedly advertised the use of exactly such a tactic.

m. Comparatively, Alternative C brings the Soviet Union closer to the threshold of war than does Alternative A. Comparison with Alternative B is more difficult, since major risk of war in Alternative B would appear to arise, not from Soviet resort to war, but from U.S. resort to war because of the breaching by the Soviets of a security line designated and safeguarded by the United States.

n. These considerations all apply to the short term. In the longer term, if Alternative C achieves the results for which it aims, there should be a substantial reduction in the risk of war and in the destruction and loss arising from such a war, if it should occur.

~~TOP SECRET~~
SECURITY INFORMATION



2. Evaluation of Results

a. Viewing Alternative C as a "mission" assigned to the operating departments of our Government, we have assessed the extent to which our program is likely to accomplish this mission.

b. To develop concrete courses of action, Task Force C has woven into policy Alternative C a time-scale of concrete required achievements. This action makes the policy considerably more definitive and at the same time more ambitious. Hence, even if some of our programmed objectives are not met in full or on time, the broad policy may still be satisfied. We believe our ambitious schedule establishes a wide bracket on the scale between "containment" and "liberation", within which you may assess the respective merits and costs of various security policies.

c. We think our program will satisfy the primary policy objective assigned--of disrupting, disturbing and weakening the Soviets and turning their attention to holding what they have rather than attempting to expand further. We are much less sure of our second objective--to accelerate the consolidation of allied strength at a high level. If this goal is carefully and cleverly pursued, however, we believe it too can be attained.

d. In Central Europe, we do not have the means to assure the maximum goals we seek. Results might, however, include withdrawal of Soviet forces and unification of Germany with perhaps only limited rearmament permitted and perhaps neutralization of the Eastern area, together with some reduction in allied military forces. In the Satellites the scale of the impact we can achieve suggests the strong possibility of defection of

~~TOP SECRET~~
SECURITY INFORMATION

~~TOP SECRET~~
SECURITY INFORMATION



Albania and Bulgaria in the first phase. Barring spontaneous revolts so successful as to engender uprisings en masse, other Satellites will continue their subservience to Moscow with, however, ever stronger currents of dissension and unrest.

e. In Northeast Asia, if the war in Korea is resumed, we believe that under our program the Chinese armies will have been destroyed, and UN military control up to the Korean waist established. If a truce is in effect, we believe there will probably be simply a military occupation of a divided Korea.

f. In Indo-China, it would appear that increased French cooperation should be possible to obtain, and that the proposed allied efforts should be sufficient to secure the northern borders and reduce the Viet Minh operations to confined areas.

g. In China, it does not appear that the measures proposed give material prospect during Phase I of definitively splitting Red China from the U.S.S.R., or of overthrowing the Communist regime. Nationalist control may be re-established over Hainan and other areas beyond those now held. Efforts may well be sufficient to cause increasingly difficult Soviet-Red Chinese negotiations, with concomitant strains and recriminations.

h. In the Middle East, progress in establishing organized political and military relationships should be evident, notably in the Middle East Defense Organization, and will probably include organizations connected with aid programs, the formation of a Planning Group, and perhaps the association of certain Arab States with it.

~~TOP SECRET~~
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~~TOP SECRET~~
SECURITY INFORMATION



i. The U.S.S.R. will be burdened and troubled by ever increasing United States actions directed against it, and its international apparatus impaired. However, it would appear that during the first phase such actions must be quite limited in their impact in relation to the internal stability and power of the Kremlin clique in the Soviet regime. The proposed efforts will not, of themselves, be adequate materially to weaken or disrupt the Soviet Union; they could exploit and deepen any internal dissension.

j. The emergence of a "climate of victory" in this period would depend chiefly upon success obtained in Korea, Hainan, Indo-China, the defection of Albania, and especially any Soviet withdrawal from East Germany. These successes should suffice to preserve U.S. leadership in the first phase and to keep the psychological initiative in the free world. We feel that a sense of vigor will pervade our policy-making and planning echelons, and that there will develop a more dynamic posture better conforming to the times in which we live.

k. In our opinion, United States and allied security against defeat in war, given the measures we recommend, will be secure throughout this first phase.

l. We were also invited to consider the problems that might result from failure of our efforts. Complete failure would probably be the result of opposition by our allies to our efforts. The major result of failure would be to further the tendency on the part of our allies to oppose the U.S. leadership and to open added opportunity for the Soviets to weaken the

~~TOP SECRET~~
SECURITY INFORMATION



cohesion of the free world and to strengthen their influence within France, Italy and probably the U.K., as well as throughout the Asiatic world.

m. The principal problem likely to arise from major successes of our efforts in the first phase will probably be the difficulties of achieving and maintaining internal harmony in Western Europe--especially between Germany and France, once an independent, unified Germany begins to be rearmed. This is a difficulty and a risk in our program, but we believe the same difficulty will be met in any other program which includes the rearming of Germany.

n. We point out also the possibility of early successes in the first phase of our program, launching us into the second phase ahead of schedule and radically foreshortening our winning of the Cold War.

3. Costs

a. We turn now to a consideration of major factors which limit the scale of our operations--costs, legislative requirements, public opinion, and allied reactions.

b. We have considered costs under two headings:

(1) What are the likely peacetime costs of a security program under Alternative C?

(2) To what degree can the United States stand such costs, in physical, financial, fiscal, social, and political/psychological terms?

c. We have devoted a great deal of time and effort to an attempt to assess the possible order of magnitude of peacetime costs. We have estimated what might be the aggregate of expenditures for all national

~~TOP SECRET~~
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security programs under Alternative C. These would include: Military, Mobilization, MSA, Civil Defense, Stockpiling, Propaganda, Internal Security, Atomic Energy. Specific increases occur in the fields of Continental Defense, Covert Activities, Propaganda, Economic Aid, the Freedom Corps, Reserve Components, additional deployed forces, Civil Defense, added Vietnam forces, Japanese forces, the Hainan operation and blockade of Red China, and increased war reserves of equipment. Expenditures to carry out Alternative C would, we estimate, be of the order of \$60 billion in Fiscal Year 1954 and 1955 (as against \$53 billion in comparable expenditures in Fiscal Year 1953, just ended). Expenditures decline to below \$45 billion by Fiscal Year 1958, and continue at that level thereafter until the Soviet threat is reduced by the actions we propose. If fighting is resumed in Korea, and the operations we propose are conducted there, the figures for Fiscal Year 1954 and 1955 would be between \$60 and \$65 billion. These figures do not include whatever might be spent on preclusive buying. This would be additional, but such buying would be highly selective and limited. With this exception, we believe that all our action-proposals have been taken into account in the figures just cited.

d. Peacetime costs under this program will, we believe, be higher in the short-term than under Alternatives A or B, and higher also than presently proposed programs. In some cases a net increase is involved. In others, an acceleration to provide planned increases sooner is required. In the long-term, costs should be substantially lower when we have won the cold war.

~~TOP SECRET~~
SECURITY INFORMATION

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SECURITY INFORMATION



e. The next question relates to the capacity of the U.S. to provide and finance these resources requirements. We are generally in accord with the views expressed by Task Force A on this matter. We would like to present a few figures as dimensions which show the boundaries of the problem, but by no means its detailed solution.

f. The United States, in Fiscal Year 1953, devoted 14.6% of its Gross National Product to security programs and 20.6% to total federal government programs. It financed through revenue about 88% of the governmental expenditures during that fiscal year, which represents about 18.1% of the total Gross National Production.

g. We have considered the total annual security costs under Alternative C against the background of an expanding economy generally expected to increase steadily at a rate between 3.5 and 4% per year over the next decade.

h. Under Alternative C a larger percentage of our physical output would be used for security in Fiscal Year 1954 and Fiscal Year 1955 than in Fiscal Year 1953--approximately 15.5% as against 14.6%. If taxes were to stay at the same percentage of Gross National Product in Fiscal Year 1954 and Fiscal Year 1955 as in Fiscal Year 1953, and if non-defense expenditures were to stay constant, a total deficit of \$10 to \$12 billion in each year might be expected. (From Fiscal Year 1957 onward, the resources and finances required for security programs would be below the percentages actually devoted to security in Fiscal Year 1953.)

~~TOP SECRET~~
SECURITY INFORMATION



i. We have the impression that the physical and financial problems involved in meeting the costs of security under Alternative C would be manageable. The next question is whether problems of maintaining existing tax rates are manageable in terms of budgetary and legislative actions, and conformity to the political tendencies of our country. It is in these areas, in fact, that our group believes the determinants of meeting the costs of Alternative C would be found, rather than in the size and tempo of the physical economy or in the area of financial policy and problems. We consider that these questions are of a different character, falling in the general field of political affairs rather than administration, and can only state here our firm conviction that our people, when they understand that their nation's security depends primarily upon their readiness and willingness to provide support through taxation, will not fail to do so.

4. Legislative Requirements

a. We consider next legislative problems and requirements. First is the need for specific legislation, which would include:

- (1) Appropriations covering the increased program costs just described.
- (2) Tax legislation consistent with these appropriations.
- (3) Reduction of tariffs, and simplification of customs procedures which impede trade with our Allies.
- (4) Stand-by legislation for wartime economic controls.
- (5) A basic system of universal military training and service.



(6) Increased latitude with respect to immigration.

b. A second major field of legislative problems was mentioned earlier in connection with "Implementation of the Program".

(1) Steps to give greater continuity to security policies and programs will be required. Actions might include executive leadership which continually encourages bipartisanship in Congress in these matters, and continued efforts in behalf of the closest possible Executive-Congressional consultation within constitutional limits. Congressional resolutions and committee "policy positions" indicating the intent of the Congress may give added stability.

(2) The need for secrecy raises a similar problem. To reconcile security of sensitive types of operations with the need for Congressional understanding, support, and appropriations, certain special arrangements may be required. For covert operations, for example, a highly secure select joint committee, similar to the Joint Committee on Atomic Energy, may be the only effective solution.

c. Our specific recommendations in these fields are necessarily limited. We do have confidence, however, that the resourcefulness and flexibility of our system and our leadership are such that these problems can be successfully solved.

5. Public Opinion

a. Alternative C makes unusual demands for enlightened public opinion, resolute and responsive to new and changing problems and situations.

TOP SECRET
SECURITY INFORMATION



For example, a change in the trend toward tax reduction would be required to provide for the higher costs of the initial phase. Such a new course could only be brought about through successful presentation to the American public of the basic factors of the security problem and need for the proposed actions. A major item of information would be the significance of the atomic arms race, and, specifically, the impact on U.S. security of the growing Soviet atomic capability.

b. The American people have always in the past risen and met any challenge to their independence and security. The series of crises, from Iran through Turkey, Greece, and Berlin, to Korea, all bear testimony to this fact. There is no reason to think they will fail to do so again. The requirement is that the necessity and rightness of the policy adopted be fully and explicitly conveyed to them.

6. Allies

a. The reaction of our allies will tend to be a brake on our prosecution of Alternative C. Our system of alliances is an essential element in the consolidation of the strength of the free world incident to Alternative C, but the prosecution of the more aggressive phases of Alternative C will strain our alliances. It should by no means destroy them, however. The Soviet Government will undoubtedly employ all possible kinds of inducements to weaken our alliances and obtain the support of our allies in relieving the pressure on itself. We cite the effectiveness of recent Soviet gestures on public opinion and on the firmness of allied foreign policy. Foreign concern over our impetuosity and skepticism of

TOP SECRET
SECURITY INFORMATION



our capacity for constancy in foreign policy are further adverse factors. Like our own public opinion, however, our allies will respond to constancy of purpose, and to successes as they begin to be achieved.

b. The reactions of our European NATO allies should be considered in light of the economic and military strengthening which has by now been achieved. A kind of phase-line is probably just now being reached--the attainment of a limited military shield and an economic foundation, which is of the greatest significance to their psychology and their political attitudes. On the one hand, United States influence tends to decrease as Europe begins to achieve the goal toward which the United States has been aiding them--a situation and a feeling of independence and national strength within a collective security framework. At the same time, the United States need is no longer so acute for them to take positive measures--such as they took three years ago when they initially adopted and began to prosecute a policy of security and build-up of defense forces. Exceptions are in Indo-China and in need for positive French action to ratify EDC if that solution to German rearmament is retained.

c. These points suggest that the United States, while maintaining its general friendship and readiness to cooperate, and participating closely in measures within the scope of the NATO commitment, can and should be less solicitous of specific internal problems of the Western European countries, and can and should feel less constrained to subject its actions outside the scope of the NATO commitment to the veto of our NATO partners, specifically France and the United Kingdom.



d. Although problems and difficulties will be great, we believe it should be possible to maintain satisfactory relations with the other nations of the free world under Alternative C.

* * * * *

e. We had intended at this point to present individual views and dissents concerning our proposals. However, we have been able to agree on our program as a generally valid and feasible means of carrying Alternative C into effect, subject of course to continuing refinement and adjustment of particular proposals. While there are individual reservations over details and particulars, a general consensus has been reached on the program as a whole.

f. This completes our evaluation of our proposed course of action, including consideration of the specific questions posed to us in our directive. Admiral Conolly will now present our conclusions and recommendations.

* * * * *

D. CONCLUSION

1. The courses of action which we would pursue are shown objectively by this timetable chart. ^{"(Chart)"} We recommend this program and schedule. The effects of successes won sooner than scheduled would telescope this diagram.

2. The results we expect to obtain are illustrated by this map. ^{"(Map C)"} We believe that these results would fully justify the costs and the effort.

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~~TOP SECRET~~
SECURITY INFORMATION



3. We have presented what we believe to be a coherent long-term plan of action to undermine our enemy and bring about his downfall. Only by this means do we believe that we can safeguard our own security and establish real and lasting peace in the world. We have stated our ultimate aims, with the policies or guidelines for our action, and presented a concrete program of action starting now. In order to provide requisite flexibility, the latter is subject to change, within our policies, as to timing and sequence.

4. We have made careful review of the crucial questions listed in the Panel's "Memorandum on Basic Issues". These questions have been covered in this presentation by direct treatment of the problems from which they arise.

5. We realize that our task is a formidable one but we believe that the effects of our action will be cumulative. Successes will compound themselves by creating additional unrest and generating more uprisings in the Satellites and eventually within the various strata of the Soviet Union. The whole enemy power structure, dominated as it is by a dictatorial minority, is basically unstable. But it can be upset only by sustained and progressively intensified attack against it. Success will draw our allies closer to us, attract new friends (now neutral) and give our own people confidence and increased self respect. We must be prepared to develop fully our local successes which critically damage the power structure of the Kremlin conspiracy and to exploit the final breakdown of our enemy.

~~TOP SECRET~~
SECURITY INFORMATION



6. Task Force C is supremely confident that the United States has the financial and physical capacity to provide for security without damaging social effects. This is the cheapest program in the long run for it seeks to end the cold war as quickly as possible without fighting a hot one. Surely the country can stand the cost of our program to avoid the colossal cost of a hot war. Especially since our program offers real hope that early successes may attract such overwhelming free world support that the whole schedule may be compressed into a much shorter period.

7. When we hark back to the early months following our entry into World War II, the prospects for success seemed hazy and far off. Yet once we seized the strategic initiative and began to operate on a large scale with boldness and determination against our formidable and seemingly invincible enemies, we achieved spectacular and even startling success.

8. So it is now and we can have victory if we seek it--an end to world terror. The way to avoid a hot war is to win the cold war. The way to end the cold war is to win it. The alternative program presented by Task Force C is a true American Crusade.