NSC 68: United States Objectives and Programs for National Security
(April 14, 1950)

A Report to the President
Pursuant to the President's Directive
of January 31, 1950

TOP SECRET

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TERMS OF REFERENCE

The following report is submitted in response to the President's directive of January 31 which reads:

That the President direct the Secretary of State and the Secretary of Defense to undertake a reexamination of our objectives in peace and war and of the effect of these objectives on our strategic plans, in the light of the probable fission bomb capability and possible thermonuclear bomb capability of the Soviet Union.

The document which recommended that such a directive be issued reads in part:

It must be considered whether a decision to proceed with a program directed toward determining feasibility prejudges the more fundamental decisions (a) as to whether, in the event that a test of a thermonuclear weapon proves successful, such weapons should be stockpiled, or (b) if stockpiled, the conditions under which they might be used in war. If a test of a thermonuclear weapon proves successful, the pressures to produce and stockpile such weapons to be held for the same purposes for which fission bombs are then being held will be greatly increased. The question of use policy can be adequately assessed only as a part of a general reexamination of this country's strategic plans and its objectives in peace and war. Such reexamination would need to consider national policy not only with respect to possible thermonuclear weapons, but also with respect to fission weapons--viewed in the light of the probable fission bomb capability and the possible thermonuclear bomb capability of the Soviet Union. The moral, psychological, and political questions involved in this problem would need to be taken into account and be given due weight. The outcome of this reexamination would have a crucial bearing on the further question as to whether there should be a revision in the nature of the agreements, including the international control of atomic energy, which we have been seeking to reach with the U.S.S.R.

ANALYSIS

I. BACKGROUND OF THE PRESENT CRISIS

Within the past thirty-five years the world has experienced two global wars of tremendous violence. It has witnessed two revolutions – the Russian and the Chinese – of extreme scope and intensity. It has also seen the collapse of five empires – the Ottoman, the Austro-Hungarian, German, Italian, and Japanese – and the drastic decline of two major imperial systems, the British and the French. During the span of one generation, the international distribution of power has been fundamentally altered. For several centuries it had proved impossible for any one nation to gain such preponderant strength that a coalition of other nations could not in time face it with greater strength. The international scene was marked by recurring periods of violence and war, but a system of sovereign and independent states was maintained, over which no state was able to achieve hegemony.

Two complex sets of factors have now basically altered this historic distribution of power. First, the defeat of Germany and Japan and the decline of the British and French Empires have interacted with the development of the United States and the Soviet Union in such a way that power increasingly gravitated to these two centers. Second, the Soviet Union, unlike previous aspirants to hegemony, is animated by a new fanatic faith, anti-thetical to our own, and seeks to impose its absolute authority over the rest of the world. Conflict has, therefore, become endemic and is waged, on the part of the Soviet Union, by violent or non-violent methods in accordance with the dictates of expediency. With the development of increasingly terrifying weapons of mass destruction, every individual faces the ever-present possibility of annihilation should the conflict enter the phase of total war.

On the one hand, the people of the world yearn for relief from the anxiety arising from the risk of atomic war. On the other hand, any substantial further extension of the area under the

domination of the Kremlin would raise the possibility that no coalition adequate to confront the Kremlin with greater strength could be assembled. It is in this context that this Republic and its citizens in the ascendancy of their strength stand in their deepest peril.

The issues that face us are momentous, involving the fulfillment or destruction not only of this Republic but of civilization itself. They are issues which will not await our deliberations. With conscience and resolution this Government and the people it represents must now take new and fateful decisions.

II. FUNDAMENTAL PURPOSE OF THE UNITED STATES

The fundamental purpose of the United States is laid down in the Preamble to the Constitution: ". . . to form a more perfect Union, establish justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity." In essence, the fundamental purpose is to assure the integrity and vitality of our free society, which is founded upon the dignity and worth of the individual.

Three realities emerge as a consequence of this purpose: Our determination to maintain the essential elements of individual freedom, as set forth in the Constitution and Bill of Rights; our determination to create conditions under which our free and democratic system can live and prosper; and our determination to fight if necessary to defend our way of life, for which as in the Declaration of Independence, "with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our Fortunes, and our sacred Honor."

III. FUNDAMENTAL DESIGN OF THE KREMLIN

The fundamental design of those who control the Soviet Union and the international communist movement is to retain and solidify their absolute power, first in the Soviet Union and second in the areas now under their control. In the minds of the Soviet leaders, however, achievement of this design requires the dynamic extension of their authority and the ultimate elimination of any effective opposition to their authority.

The design, therefore, calls for the complete subversion or forcible destruction of the machinery of government and structure of society in the countries of the non-Soviet world and their replacement by an apparatus and structure subservient to and controlled from the Kremlin. To that end Soviet efforts are now directed toward the domination of the Eurasian land mass. The United States, as the principal center of power in the non-Soviet world and the bulwark of opposition to Soviet expansion, is the principal enemy whose integrity and vitality must be subverted or destroyed by one means or another if the Kremlin is to achieve its fundamental design.

IV. THE UNDERLYING CONFLICT IN THE REALM OF IDEAS AND VALUES BETWEEN THE U.S. PURPOSE AND THE KREMLIN DESIGN

A. Nature of conflict

The Kremlin regards the United States as the only major threat to the conflict between idea of slavery under the grim oligarchy of the Kremlin, which has come to a crisis with the polarization of power described in Section I, and the exclusive possession of atomic weapons by the two protagonists. The idea of freedom, moreover, is peculiarly and intolerably subversive of the idea of slavery. But the converse is not true. The implacable purpose of the slave state to eliminate the challenge of freedom has placed the two great powers at opposite poles. It is this fact which gives the present polarization of power the quality of crisis.

The free society values the individual as an end in himself, requiring of him only that measure of self-discipline and self-restraint which make the rights of each individual compatible with the rights of every other individual. The freedom of the individual has as its counterpart, therefore, the negative responsibility of the individual not to exercise his freedom in ways inconsistent with the freedom of other individuals and the positive responsibility to make constructive use of his freedom in the building of a just society.

From this idea of freedom with responsibility derives the marvelous diversity, the deep tolerance, the lawfulness of the free society. This is the explanation of the strength of free men. It constitutes the integrity and the vitality of a free and democratic system. The free society attempts to create and maintain an environment in which every individual has the opportunity to realize his creative powers. It also explains why the free society tolerates those within it who would use their freedom to destroy it. By the same token, in relations between nations, the prime reliance of the free society is on the strength and appeal of its idea, and it feels no compulsion sooner or later to bring all societies into conformity with it.

For the free society does not fear, it welcomes, diversity. It derives its strength from its hospitality even to antipathetic ideas. It is a market for free trade in ideas, secure in its faith that free men will take the best wares, and grow to a fuller and better realization of their powers in exercising their choice.

The idea of freedom is the most contagious idea in history, more contagious than the idea of submission to authority. For the breadth of freedom cannot be tolerated in a society which has come under the domination of an individual or group of individuals with a will to absolute power. Where the despot holds absolute power--the absolute power of the absolutely powerful will--all other wills must be subjugated in an act of willing submission, a degradation willed by the individual upon himself under the compulsion of a perverted faith. It is the first article of this faith that he finds and can only find the meaning of his existence in serving the ends of the system. The system becomes God, and submission to the will of God becomes submission to the will of the system. It is not enough to yield outwardly to the system--even Gandhian non-violence is not acceptable--for the spirit of resistance and the devotion to a higher authority might then remain, and the individual would not be wholly submissive.

The same compulsion which demands total power over all men within the Soviet state without a single exception, demands total power over all Communist Parties and all states under Soviet domination. Thus Stalin has said that the theory and tactics of Leninism as expounded by the Bolshevik party are mandatory for the proletarian parties of all countries. A true internationalist is defined as one who unhesitatingly upholds the position of the Soviet Union and in the satellite states true patriotism is love of the Soviet Union. By the same token the "peace policy" of the Soviet Union, described at a Party Congress as "a more advantageous form of fighting capitalism," is a device to divide and immobilize the non-Communist world, and the peace the Soviet Union seeks is the peace of total conformity to Soviet policy.

The antipathy of slavery to freedom explains the iron curtain, the isolation, the autarchy of the society whose end is absolute power. The existence and persistence of the idea of freedom is a permanent and continuous threat to the foundation of the slave society; and it therefore regards as intolerable the long continued existence of freedom in the world. What is new, what makes the continuing crisis, is the polarization of power which now inescapably confronts the slave society with the free.

The assault on free institutions is world-wide now, and in the context of the present polarization of power a defeat of free institutions anywhere is a defeat everywhere. The shock we sustained in the destruction of Czechoslovakia was not in the measure of Czechoslovakia's material importance to us. In a material sense, her capabilities were already at Soviet disposal. But when the integrity of Czechoslovak institutions was destroyed, it was

in the intangible scale of values that we registered a loss more damaging than the material loss we had already suffered.

Thus unwillingly our free society finds itself mortally challenged by the Soviet system. No other value system is so wholly irreconcilable with ours, so implacable in its purpose to destroy ours, so capable of turning to its own uses the most dangerous and divisive trends in our own society, no other so skillfully and powerfully evokes the elements of irrationality in human nature everywhere, and no other has the support of a great and growing center of military power.

B. Objectives

The objectives of a free society are determined by its fundamental values and by the necessity for maintaining the material environment in which they flourish. Logically and in fact, therefore, the Kremlin's challenge to the United States is directed not only to our values but to our physical capacity to protect their environment. It is a challenge which encompasses both peace and war and our objectives in peace and war must take account of it.

Thus we must make ourselves strong, both in the way in which we affirm our values in the conduct of our national life, and in the development of our military and economic strength.

We must lead in building a successfully functioning political and economic system in the free world. It is only by practical affirmation, abroad as well as at home, of our essential values, that we can preserve our own integrity, in which lies the real frustration of the Kremlin design.

But beyond thus affirming our values our policy and actions must be such as to foster a fundamental change in the nature of the Soviet system, a change toward which the frustration of the design is the first and perhaps the most important step. Clearly it will not only be less costly but more effective if this change occurs to a maximum extent as a result of internal forces in Soviet society.

In a shrinking world, which now faces the threat of atomic warfare, it is not an adequate objective merely to seek to check the Kremlin design, for the absence of order among nations is becoming less and less tolerable. This fact imposes on us, in our own interests, the responsibility of world leadership. It demands that we make the attempt, and accept the risks inherent in it, to bring about order and justice by means consistent with the principles of freedom and democracy. We should limit our requirement of the Soviet Union to its participation with other nations on the basis of equality and respect for the rights of others. Subject to this requirement, we must with our allies and the former subject peoples seek to create a world society based on the principle of consent. Its framework cannot be inflexible. It will consist of many national communities of great and varying abilities and resources, and hence of war potential. The seeds of conflicts will inevitably exist or will come into being. To acknowledge this is only to acknowledge the impossibility of a final solution. Not to acknowledge it can be fatally dangerous in a world in which there are no final solutions.

All these objectives of a free society are equally valid and necessary in peace and war. But every consideration of devotion to our fundamental values and to our national security demands that we seek to achieve them by the strategy of the cold war. It is only by developing the moral and material strength of the free world that the Soviet regime will become convinced of the falsity of its assumptions and that the pre-conditions for workable agreements can be created. By practically demonstrating the integrity and vitality of our system the free world widens the area of possible agreement and thus can hope gradually to bring about a Soviet acknowledgement of realities which in sum will eventually constitute a frustration of the Soviet design. Short of this, however, it might be possible to create a situation which will induce the Soviet Union to accommodate itself, with or without the conscious abandonment of its design, to coexistence on tolerable terms with the non-Soviet

world. Such a development would be a triumph for the idea of freedom and democracy. It must be an immediate objective of United States policy.

There is no reason, in the event of war, for us to alter our overall objectives. They do not include unconditional surrender, the subjugation of the Russian peoples or a Russia shorn of its economic potential. Such a course would irrevocably unite the Russian people behind the regime which enslaves them. Rather these objectives contemplate Soviet acceptance of the specific and limited conditions requisite to an international environment in which free institutions can flourish, and in which the Russian peoples will have a new chance to work out their own destiny. If we can make the Russian people our allies in the enterprise we will obviously have made our task easier and victory more certain.

The objectives outlined in NSC 20/4 (November 23, 1948) ... are fully consistent with the objectives stated in this paper, and they remain valid. The growing intensity of the conflict which has been imposed upon us, however, requires the changes of emphasis and the additions that are apparent. Coupled with the probable fission bomb capability and possible thermonuclear bomb capability of the Soviet Union, the intensifying struggle requires us to face the fact that we can expect no lasting abatement of the crisis unless and until a change occurs in the nature of the Soviet system.

C. Means

The free society is limited in its choice of means to achieve its ends.

Compulsion is the negation of freedom, except when it is used to enforce the rights common to all. The resort to force, internally or externally, is therefore a last resort for a free society. The act is permissible only when one individual or groups of individuals within it threaten the basic rights of other individuals or when another society seeks to impose its will upon it. The free society cherishes and protects as fundamental the rights of the minority against the will of a majority, because these rights are the inalienable rights of each and every individual.

The resort to force, to compulsion, to the imposition of its will is therefore a difficult and dangerous act for a free society, which is warranted only in the face of even greater dangers. The necessity of the act must be clear and compelling; the act must commend itself to the overwhelming majority as an inescapable exception to the basic idea of freedom; or the regenerative capacity of free men after the act has been performed will be endangered.

The Kremlin is able to select whatever means are expedient in seeking to carry out its fundamental design. Thus it can make the best of several possible worlds, conducting the struggle on those levels where it considers it profitable and enjoying the benefits of a pseudo-peace on those levels where it is not ready for a contest. At the ideological or psychological level, in the struggle for men's minds, the conflict is worldwide. At the political and economic level, within states and in the relations between states, the struggle for power is being intensified. And at the military level, the Kremlin has thus far been careful not to commit a technical breach of the peace, although using its vast forces to intimidate its neighbors, and to support an aggressive foreign policy, and not hesitating through its agents to resort to arms in favorable circumstances. The attempt to carry out its fundamental design is being pressed, therefore, with all means which are believed expedient in the present situation, and the Kremlin has inextricably engaged us in the conflict between its design and our purpose.

We have no such freedom of choice, and least of all in the use of force. Resort to war is not only a last resort for a free society, but it is also an act which cannot definitively end the fundamental conflict in the realm of ideas. The idea of slavery can only be overcome by the timely and persistent demonstration of the superiority of the idea of freedom. Military victory alone would only partially and perhaps only temporarily affect the fundamental conflict, for although the ability of the Kremlin to threaten our security might be for a time destroyed, the resurgence of totalitarian forces and the re-establishment of the Soviet system or its

equivalent would not be long delayed unless great progress were made in the fundamental conflict.

Practical and ideological considerations therefore both impel us to the conclusion that we have no choice but to demonstrate the superiority of the idea of freedom by its constructive application, and to attempt to change the world situation by means short of war in such a way as to frustrate the Kremlin design and hasten the decay of the Soviet system.

For us the role of military power is to serve the national purpose by deterring an attack upon us while we seek by other means to create an environment in which our free society can flourish, and by fighting, if necessary, to defend the integrity and vitality of our free society and to defeat any aggressor. The Kremlin uses Soviet military power to back up and serve the Kremlin design. It does not hesitate to use military force aggressively if that course is expedient in the achievement of its design. The differences between our fundamental purpose and the Kremlin design, therefore, are reflected in our respective attitudes toward and use of military force.

Our free society, confronted by a threat to its basic values, naturally will take such action, including the use of military force, as may be required to protect those values. The integrity of our system will not be jeopardized by any measures, covert or overt, violent or non-violent, which serve the purposes of frustrating the Kremlin design, nor does the necessity for conducting ourselves so as to affirm our values in actions as well as words forbid such measures, provided only they are appropriately calculated to that end and are not so excessive or misdirected as to make us enemies of the people instead of the evil men who have enslaved them.

But if war comes, what is the role of force? Unless we so use it that the Russian people can perceive that our effort is directed against the regime and its power for aggression, and not against their own interests, we will unite the regime and the people in the kind of last ditch fight in which no underlying problems are solved, new ones are created, and where our basic principles are obscured and compromised. If we do not in the application of force demonstrate the nature of our objectives we will, in fact, have compromised from the outset our fundamental purpose. In the words of the Federalist (No. 28) "The means to be employed must be proportioned to the extent of the mischief." The mischief may be a global war or it may be a Soviet campaign for limited objectives. In either case we should take no avoidable initiative which would cause it to become a war of annihilation, and if we have the forces to defeat a Soviet drive for limited objectives it may well be to our interest not to let it become a global war. Our aim in applying force must be to compel the acceptance of terms consistent with our objectives, and our capabilities for the application of force should, therefore, within the limits of what we can sustain over the long pull, be congruent to the range of tasks which we may encounter.

V. SOVIET INTENTIONS AND CAPABILITIES

A. Political and psychological

The Kremlin's design for world domination begins at home. The first concern of a despotic oligarchy is that the local base of its power and authority be secure. The massive fact of the iron curtain isolating the Soviet peoples from the outside world, the repeated political purges within the USSR and the institutionalized crimes of the MVD [the Soviet Ministry of Internal Affairs] are evidence that the Kremlin does not feel secure at home and that "the entire coercive force of the socialist state" is more than ever one of seeking to impose its absolute authority over "the economy, manner of life, and consciousness of people" (Vyshinski, *The Law of the Soviet State,* p. 74). Similar evidence in the satellite states of Eastern Europe leads to the conclusion that this same policy, in less advanced phases, is being applied to the Kremlin's colonial areas.

Being a totalitarian dictatorship, the Kremlin's objectives in these policies is the total subjective submission of the peoples now under its control. The concentration camp is the prototype of the society which these policies are designed to achieve, a society in which the personality of the individual is so broken and perverted that he participates affirmatively in his own degradation.

The Kremlin's policy toward areas not under its control is the elimination of resistance to its will and the extension of its influence and control. It is driven to follow this policy because it cannot, for the reasons set forth in Chapter IV, tolerate the existence of free societies; to the Kremlin the most mild and inoffensive free society is an affront, a challenge and a subversive influence. Given the nature of the Kremlin, and the evidence at hand, it seems clear that the ends toward which this policy is directed are the same as those where its control has already been established.

The means employed by the Kremlin in pursuit of this policy are limited only by considerations of expediency. Doctrine is not a limiting factor; rather it dictates the employment of violence, subversion, and deceit, and rejects moral considerations. In any event, the Kremlin's conviction of its own infallibility has made its devotion to theory so subjective that past or present pronouncements as to doctrine offer no reliable guide to future actions. The only apparent restraints on resort to war are, therefore, calculations of practicality.

With particular reference to the United States, the Kremlin's strategic and tactical policy is affected by its estimate that we are not only the greatest immediate obstacle which stands between it and world domination, we are also the only power which could release forces in the free and Soviet worlds which could destroy it. The Kremlin's policy toward us is consequently animated by a peculiarly virulent blend of hatred and fear. Its strategy has been one of attempting to undermine the complex of forces, in this country and in the rest of the free world, on which our power is based. In this it has both adhered to doctrine and followed the sound principle of seeking maximum results with minimum risks and commitments. The present application of this strategy is a new form of expression for traditional Russian caution. However, there is no justification in Soviet theory or practice for predicting that, should the Kremlin become convinced that it could cause our downfall by one conclusive blow, it would not seek that solution.

In considering the capabilities of the Soviet world, it is of prime importance to remember that, in contrast to ours, they are being drawn upon close to the maximum possible extent. Also in contrast to us, the Soviet world can do more with less--it has a lower standard of living, its economy requires less to keep it functioning, and its military machine operates effectively with less elaborate equipment and organization.

The capabilities of the Soviet world are being exploited to the full because the Kremlin is inescapably militant. It is inescapably militant because it possesses and is possessed by a world-wide revolutionary movement, because it ' is the inheritor of Russian imperialism, and because it is a totalitarian dictatorship. Persistent crisis, conflict, and expansion are the essence of the Kremlin's militancy. This dynamism serves to intensify all Soviet capabilities.

Two enormous organizations, the Communist Party and the secret police, are an outstanding source of strength to the Kremlin. In the Party, it has an apparatus designed to impose at home an ideological uniformity among its people and to act abroad as an instrument of propaganda, subversion and espionage. In its police apparatus, it has a domestic repressive instrument guaranteeing under present circumstances the continued security of the Kremlin. The demonstrated capabilities of these two basic organizations, operating openly or in disguise, in mass or through single agents, is unparalleled in history. The party, the police and the conspicuous might of the Soviet military machine together tend to create an overall impression of irresistible Soviet power among many peoples of the free world.

The ideological pretensions of the Kremlin are another great source of strength. Its identification of the Soviet system with communism, its peace campaigns and its

championing of colonial peoples may be viewed with apathy, if not cynicism, by the oppressed totalitariat of the Soviet world, but in the free world these ideas find favorable responses in vulnerable segments of society. They have found a particularly receptive audience in Asia, especially as the Asiatics have been impressed by what has been plausibly portrayed to them as the rapid advance of the USSR from a backward society to a position of great world power. Thus, in its pretensions to being (a) the source of a new universal faith and (b) the model "scientific" society, the Kremlin cynically identifies itself with the genuine aspirations of large numbers of people, and places itself at the head of an international crusade with all of the benefits which derive therefrom.

Finally, there is a category of capabilities, strictly speaking neither institutional nor ideological, which should be taken into consideration. The extraordinary flexibility of Soviet tactics is certainly a strength. It derives from the utterly amoral and opportunistic conduct of Soviet policy. Combining this quality with the elements of secrecy, the Kremlin possesses a formidable capacity to act with the widest tactical latitude, with stealth, and with speed.

The greatest vulnerability of the Kremlin lies in the basic nature of its relations with the Soviet people.

That relationship is characterized by universal suspicion, fear, and denunciation. It is a relationship in which the Kremlin relies, not only for its power but its very survival, on intricately devised mechanisms of coercion. The Soviet monolith is held together by the iron curtain around it and the iron bars within it, not by any force of natural cohesion. These artificial mechanisms of unity have never been intelligently challenged by a strong outside force. The full measure of their vulnerability is therefore not yet evident.

The Kremlin's relations with its satellites and their peoples is likewise a vulnerability. Nationalism still remains the most potent emotional-political force. The well-known ills of colonialism are compounded, however, by the excessive demands of the Kremlin that its satellites accept not only the imperial authority of Moscow but that they believe in and proclaim the ideological primacy and infallibility of the Kremlin. These excessive requirements can be made good only through extreme coercion. The result is that if a satellite feels able to effect its independence of the Kremlin, as Tito was able to do, it is likely to break away.

In short, Soviet ideas and practices run counter to the best and potentially the strongest instincts of men, and deny their most fundamental aspirations. Against an adversary which effectively affirmed the constructive and hopeful instincts of men and was capable of fulfilling their fundamental aspirations, the Soviet system might prove to be fatally weak.

The problem of succession to Stalin is also a Kremlin vulnerability. In a system where supreme power is acquired and held through violence and intimidation, the transfer of that power may well produce a period of instability.

In a very real sense, the Kremlin is a victim of, its own dynamism. This dynamism can become a weakness if it is frustrated, if in its forward thrusts it encounters a superior force which halts the expansion and exerts a superior counterpressure. Yet the Kremlin cannot relax the condition of crisis and mobilization, for to do so would be to lose its dynamism, whereas the seeds of decay within the Soviet system would begin to flourish and fructify.

The Kremlin is, of course, aware of these weaknesses. It must know that in the present world situation they are of secondary significance. So long as the Kremlin retains the initiative, so long as it can keep on the offensive unchallenged by clearly superior counter-force--spiritual as well as material--its vulnerabilities are largely inoperative and even concealed by its successes. The Kremlin has not yet been given real reason to fear and be diverted by the rot within its system.

B. Economic

The Kremlin has no economic intentions unrelated to its overall policies. Economics in the Soviet world is not an end in itself The Kremlin's policy, in so far as it has to do with economics, is to utilize economic processes to contribute to the overall strength, particularly the war-making capacity of the Soviet system. The material welfare of the totalitariat is severely subordinated to the interest of the system.

As for capabilities, even granting optimistic Soviet reports of production, the total economic strength of the U.S.S.R. compares with that of the U.S. as roughly one to four. This is reflected not only in gross national product (1949: USSR $65 billion; U.S. $250 billion), but in production of key commodities in 1949:

	U.S.	USSR	USSR and EUROPEAN ORBIT COMBINED
Ingot Steel (million met. tons)	80.4	21.5	28.0
Primary aluminum (thousand met. tons)	617.6	130-135	140-145
Electric power (billion kwh)	410	72	112
Crude oil (million met. tons)	276.5	33.0	38.9

Assuming the maintenance of present policies, while a large U.S. advantage is likely to remain, the Soviet Union will be steadily reducing the discrepancy between its overall economic strength and that of the U.S. by continuing to devote proportionately more to capital investment than the U.S.

But a full-scale effort by the U.S. would be capable of precipitately altering this trend. The USSR today is on a near maximum production basis. No matter what efforts Moscow might make, only a relatively slight change in the rate of increase in overall production could be brought about. In the U.S., on the other hand, a very rapid absolute expansion could be realized. The fact remains, however, that so long as the Soviet Union is virtually mobilized, and the United States has scarcely begun to summon up its forces, the greater capabilities of the U.S. are to that extent inoperative in the struggle for power. Moreover, as the Soviet attainment of an atomic capability has demonstrated, the totalitarian state, at least in time of peace, can focus its efforts on any given project far more readily than the democratic state.

In other fields – general technological competence, skilled labor resources, productivity of labor force, etc. – the gap between the USSR and the U.S. roughly corresponds to the gap in production. In the field of scientific research, however, the margin of United States superiority is unclear, especially if the Kremlin can utilize European talents.

C. Military

The Soviet Union is developing the military capacity to support its design for world domination. The Soviet Union actually possesses armed forces far in excess of those necessary to defend its national territory. These armed forces are probably not yet considered by the Soviet Union to be sufficient to initiate a war which would involve the United States. This excessive strength, coupled now with an atomic capability, provides the Soviet Union with great coercive power for use in time of peace in furtherance of its objectives and serves

as a deterrent to the victims of its aggression from taking any action in opposition to its tactics which would risk war.

Should a major war occur in 1950 the Soviet Union and its satellites are considered by the Joint Chiefs of Staff to be in a sufficiently advanced state of preparation immediately to undertake and carry out the following campaigns.

a. To overrun Western Europe, with the possible exception of the Iberian and Scandinavian Peninsulas; to drive toward the oil-bearing areas of the Near and Middle East; and to consolidate Communist gains in the Far East;

b. To launch air attacks against the British Isles and air and sea attacks against the lines of communications of the Western Powers in the Atlantic and the Pacific;

c. To attack selected targets with atomic weapons, now including the likelihood of such attacks against targets in Alaska, Canada, and the United States. Alternatively, this capability, coupled with other actions open to the Soviet Union, might deny the United Kingdom as an effective base of operations for allied forces. It also should be possible for the Soviet Union to prevent any allied "Normandy" type amphibious operations intended to force a reentry into the continent of Europe.

After the Soviet Union completed its initial campaigns and consolidated its positions in the Western European area, it could simultaneously conduct:

a. Full-scale air and limited sea operations against the British Isles;

b. Invasions of the Iberian and Scandinavian Peninsulas;

c. Further operations in the Near and Middle East, continued air operations against the North American continent, and air and sea operations against Atlantic and Pacific lines of communication; and

d. Diversionary attacks in other areas.

During the course of the offensive operations listed in the second and third paragraphs above, the Soviet Union will have an air defense capability with respect to the vital areas of its own and its satellites' territories which can oppose but cannot prevent allied air operations against these areas.

It is not known whether the Soviet Union possesses war reserves and arsenal capabilities sufficient to supply its satellite armies or even its own forces throughout a long war. It might not be in the interest of the Soviet Union to equip fully its satellite armies, since the possibility of defections would exist.

It is not possible at this time to assess accurately the finite disadvantages to the Soviet Union which may accrue through the implementation of the Economic Cooperation Act of 1948, as amended, and the Mutual Defense Assistance Act of 1949. It should be expected that, as this implementation progresses, the internal security situation of the recipient nations should improve concurrently. In addition, a strong United States military position, plus increases in the armaments of the nations of Western Europe, should strengthen the determination of the recipient nations to counter Soviet moves and in event of war could be considered as likely to delay operations and increase the time required for the Soviet Union to overrun Western Europe. In all probability, although United States backing will stiffen their determination, the armaments increase under the present aid programs will not be of any major consequence prior to 1952. Unless the military strength of the Western European nations is increased on a much larger scale than under current programs and at an accelerated rate, it is more than likely that those nations will not be able to oppose even by 1960 the Soviet armed forces in war with any degree of effectiveness. Considering the Soviet Union military capability, the long-range allied military objective in Western Europe must envisage an increased military strength in that area sufficient possibly to deter the Soviet Union from a major war or, in any event, to delay materially the overrunning of Western Europe and, if feasible, to hold a bridgehead on the continent against Soviet Union offensives.

We do not know accurately what the Soviet atomic capability is but the Central Intelligence Agency intelligence estimates, concurred in by State, Army, Navy, Air Force, and Atomic Energy Commission, assign to the Soviet Union a production capability giving it a fission bomb stockpile within the following ranges:

By mid-1950	10-20
By mid-1951	25-45
By mid-1952	45-90
By mid-1953	70-135
By mid-1954	200

This estimate is admittedly based on incomplete coverage of Soviet activities and represents the production capabilities of known or deducible Soviet plants. If others exist, as is possible, this estimate could lead us into a feeling of superiority in our atomic stockpile that might be dangerously misleading, particularly with regard to the timing of a possible Soviet offensive. On the other hand, if the Soviet Union experiences operating difficulties, this estimate would be reduced. There is some evidence that the Soviet Union is acquiring certain materials essential to research on and development of thermonuclear weapons.

The Soviet Union now has aircraft able to deliver the atomic bomb. Our Intelligence estimates assign to the Soviet Union an atomic bomber capability already in excess of that needed to deliver available bombs. We have at present no evaluated estimate regarding the Soviet accuracy of delivery on target. It is believed that the Soviets cannot deliver their bombs on target with a degree of accuracy comparable to ours, but a planning estimate might well place it at 40-60 percent of bombs sorted. For planning purposes, therefore, the date the Soviets possess an atomic stockpile of 200 bombs would be a critical date for the United States, for the delivery of 100 atomic bombs on targets in the United States would seriously damage this country.

At the time the Soviet Union has a substantial atomic stockpile and if it is assumed that it will strike a strong surprise blow and if it is assumed further that its atomic attacks will be met with no more effective defense opposition than the United States and its allies have programmed, results of those attacks could include:

a. Laying waste to the British Isles and thus depriving the Western Powers of their use as a base;

b. Destruction of the vital centers and of the communications of Western Europe, thus precluding effective defense by the Western Powers; and

c. Delivering devastating attacks on certain vital centers of the United States and Canada.

The possession by the Soviet Union of a thermonuclear capability in addition to this substantial atomic stockpile would result in tremendously increased damage.

During this decade, the defensive capabilities of the Soviet Union will probably be strengthened, particularly by the development and use of modem aircraft, aircraft warning and communications devices, and defensive guided missiles.

VI. U.S. INTENTIONS AND CAPABILITIES – ACTUAL AND POTENTIAL

A. Political and psychological

Our overall policy at the present time may be described as one designed to foster a world environment in which the American system can survive and flourish. It therefore rejects the concept of isolation and affirms the necessity of our positive participation in the world community.

This broad intention embraces two subsidiary policies. One is a policy which we would probably pursue even if there were no Soviet threat. It is a policy of attempting to develop a healthy international community. The other is the policy of "containing" the Soviet system. These two policies are closely interrelated and interact on one another. Nevertheless, the distinction between them is basically valid and contributes to a clearer understanding of what we are trying to do.

The policy of striving to develop a healthy international community is the long-term constructive effort which we are engaged in. It was this policy which gave rise to our vigorous sponsorship of the United Nations. It is of course the principal reason for our long continuing endeavors to create and now develop the Inter-American system. It, as much as containment, underlay our efforts to rehabilitate Western Europe. Most of our international economic activities can likewise be explained in terms of this policy.

In a world of polarized power, the policies designed to develop a healthy international community are more than ever necessary to our own strength.

As for the policy of "containment," it is one which seeks by all means short of war to (1) block further expansion of Soviet power, (2) expose the falsities of Soviet pretensions, (3) induce a retraction of the Kremlin's control and influence, and (4) in general, so foster the seeds of destruction within the Soviet system that the Kremlin is brought at least to the point of modifying its behavior to conform to generally accepted international standards.

It was and continues to be cardinal in this policy that we possess superior overall power in ourselves or in dependable combination with other likeminded nations. One of the most important ingredients of power is military strength. In the concept of "containment," the maintenance of a strong military posture is deemed to be essential for two reasons: (1) as an ultimate guarantee of our national security and (2) as an indispensable backdrop to the conduct of the policy of "containment." Without superior aggregate military strength, in being and readily mobilizable, a policy of "containment"--which is in effect a policy of calculated and gradual coercion--is no more than a policy of bluff.

At the same time, it is essential to the successful conduct of a policy of "containment" that we always leave open the possibility of negotiation with the USSR. A diplomatic freeze – and we are in one now – tends to defeat the very purposes of "containment" because it raises tensions at the same time that it makes Soviet retractions and adjustments in the direction of moderated behavior more difficult. It also tends to inhibit our initiative and deprives us of opportunities for maintaining a moral ascendancy in our struggle with the Soviet system.

In "containment" it is desirable to exert pressure in a fashion which will avoid so far as possible directly challenging Soviet prestige, to keep open the possibility for the USSR to retreat before pressure with a minimum loss of face and to secure political advantage from the failure of the Kremlin to yield or take advantage of the openings we leave it.

We have failed to implement adequately these two fundamental aspects of "containment." In the face of obviously mounting Soviet military strength ours has declined relatively. Partly as a byproduct of this, but also for other reasons, we now find ourselves at a diplomatic impasse with the Soviet Union, with the Kremlin growing bolder, with both of us holding on grimly to what we have, and with ourselves facing difficult decisions.

In examining our capabilities it is relevant to ask at the outset –capabilities for what? The answer cannot be stated solely in the negative terms of resisting the Kremlin design. It

includes also our capabilities to attain the fundamental purpose of the United States, and to foster a world environment in which our free society can survive and flourish.

Potentially we have these capabilities. We know we have them in the economic and military fields. Potentially we also have them in the political and psychological fields. The vast majority of Americans are confident that the system of values which animates our society – the principles of freedom, tolerance, the importance of the individual, and the supremacy of reason over will – are valid and more vital than the ideology which is the fuel of Soviet dynamism. Translated into terms relevant to the lives of other peoples – our system of values can become perhaps a powerful appeal to millions who now seek or find in authoritarianism a refuge from anxieties, bafflement, and insecurity.

Essentially, our democracy also possesses a unique degree of unity. Our society is fundamentally more cohesive than the Soviet system, the solidarity of which is artificially created through force, fear, and favor. This means that expressions of national consensus in our society are soundly and solidly based. It means that the possibility of revolution in this country is fundamentally less than that in the Soviet system.

These capabilities within us constitute a great potential force in our international relations. The potential within us of bearing witness to the values by which we live holds promise for a dynamic manifestation to the rest of the world of the vitality of our system. The essential tolerance of our world outlook, our generous and constructive impulses, and the absence of covetousness in our international relations are assets of potentially enormous influence.

These then are our potential capabilities. Between them and our capabilities currently being utilized is a wide gap of unactualized power. In sharp contrast is the situation of the Soviet world. Its capabilities are inferior to those of our allies and to our own. But they are mobilized close to the maximum possible extent.

The full power which resides within the American people will be evoked only through the traditional democratic process: This process requires, firstly, that sufficient information regarding the basic political, economic, and military elements of the present situation be made publicly available so that an intelligent popular opinion may be formed. Having achieved a comprehension of the issues now confronting this Republic, it will then be possible for the American people and the American Government to arrive at a consensus. Out of this common view will develop a determination of the national will and a solid resolute expression of that will. The initiative in this process lies with the Government.

The democratic way is harder than the authoritarian way because, in seeking to protect and fulfill the individual, it demands of him understanding, judgment, and positive participation in the increasingly complex and exacting problems of the modern world. It demands that he exercise discrimination: that while pursuing through free inquiry the search for truth he knows when he should commit an act of faith; that he distinguish between the necessity for tolerance and the necessity for just suppression. A free society is vulnerable in that it is easy for people to lapse into excesses--the excesses of a permanently open mind wishfully waiting for evidence that evil design may become noble purpose, the excess of faith becoming prejudice, the excess of tolerance degenerating into indulgence of conspiracy and the excess of resorting to suppression when more moderate measures are not only more appropriate but more effective.

In coping with dictatorial governments acting in secrecy and with speed, we are also vulnerable in that the democratic process necessarily operates in the open and at a deliberate tempo. Weaknesses in our situation are readily apparent and subject to immediate exploitation. This Government therefore cannot afford in the face of the totalitarian challenge to operate on a narrow margin of strength. A democracy can compensate for its natural vulnerability only if it maintains clearly superior overall power in its most inclusive sense.

The very virtues of our system likewise handicap us in certain respects in our relations with our allies. While it is a general source of strength to us that our relations with our allies are

conducted on a basis of persuasion and consent rather than compulsion and capitulation, it is also evident that dissent among us can become a vulnerability. Sometimes the dissent has its principal roots abroad in situations about which we can do nothing. Sometimes it arises largely out of certain weaknesses within ourselves, about which we can do something--our native impetuosity and a tendency to expect too much from people widely divergent from us.

The full capabilities of the rest of the free world are a potential increment to our own capabilities. It may even be said that the capabilities of the Soviet world, specifically the capabilities of the masses who have nothing to lose but their Soviet chains, are a potential which can be enlisted on our side.

Like our own capabilities, those of the rest of the free world exceed the capabilities of the Soviet system. Like our own they are far from being effectively mobilized and employed in the struggle against the Kremlin design. This is so because the rest of the free world lacks a sense of unity, confidence, and common purpose. This is true in even the most homogeneous and advanced segment of the free world--Western Europe.

As we ourselves demonstrate power, confidence, and a sense of moral and political direction, so those same qualities will be evoked in Western Europe. In such a situation, we may also anticipate a general improvement in the political tone in Latin America, Asia, and Africa and the real beginnings of awakening among the Soviet totalitariat.

In the absence of affirmative decision on our part, the rest of the free world is almost certain to become demoralized. Our friends will become more than a liability to us; they can eventually become a positive increment to Soviet power.

In sum, the capabilities of our allies are, in an important sense, a function of our own. An affirmative decision to summon up the potential within ourselves would evoke the potential strength within others and add it to our own.

B. Economic

1. Capabilities. In contrast to the war economy of the Soviet world (cf. Ch. V-B), the American economy (and the economy of the free world as a whole) is at present directed to the provision of rising standards of living. The military budget of the United States represents 6 to 7 percent of its gross national product (as against 13.8 percent for the Soviet Union). Our North Atlantic Treaty [NAT] allies devoted 4.8 percent of their national product to military purposes in 1949.

This difference in emphasis between the two economies means that the readiness of the free world to support a war effort is tending to decline relative to that of the Soviet Union. There is little direct investment in production facilities for military end-products and in dispersal. There are relatively few men receiving military training and a relatively low rate of production of weapons. However, given time to convert to a war effort, the capabilities of the United States economy and also of the Western European economy would be tremendous. In the light of Soviet military capabilities, a question which may be of decisive importance in the event of war is the question whether there will be time to mobilize our superior human and material resources for a war effort (cf. Chs. VIII and IX).

The capability of the American economy to support a build-up of economic and military strength at home and to assist a build-up abroad is limited not, as in the case of the Soviet Union, so much by the ability to produce as by the decision on the proper allocation of resources to this and other purposes. Even Western Europe could afford to assign a substantially larger proportion of its resources to defense, if the necessary foundation in public understanding and will could be laid, and if the assistance needed to meet its dollar deficit were provided.

A few statistics will help to clarify this point [Table 1].

The Soviet Union is now allocating nearly 40 percent of its gross available resources to military purposes and investment, much of which is in war-supporting industries. It is estimated that even in an emergency the Soviet Union could not increase this proportion to much more than 50 percent, or by one-fourth. The United States, on the other hand, is allocating only about 20 percent of its resources to defense and investment (or 22 percent including foreign assistance), and little of its investment outlays are directed to war-supporting industries. In an emergency the United States could allocate more than 50 percent of its resources to military purposes and foreign assistance, or five to six times as much as at present.

The same point can be brought out by statistics on the use of important products. The Soviet Union is using 14 percent of its ingot steel, 47 percent of its primary aluminum, and 18.5 percent of its crude oil for military purposes, while the corresponding percentages for the United States are 1.7, 8.6, and 5.6. Despite the tremendously larger production of these goods in the United States than the Soviet Union, the latter is actually using, for military purposes, nearly twice as much steel as the United States and 8 to 26 percent more aluminum.

Table 1. Percentage of Gross Available Resources Allocated to Investment, National Defense, and Consumption in East and West, 1949 (in percent of total)

COUNTRY	GROSS INVESTMENT	DEFENSE	CONSUMPTION
USSR	25.4	13.8	60.8
Soviet Orbit	22.0 (a)	4.0 (b)	74.0 (a)
U.S.	13.6	6.5	79.9
European NAT countries	20.4	4.8	74.8

(a) crude estimate. [Footnote in the source text.]

(b) Includes Soviet Zone of Germany; otherwise 5 percent. [Footnote in the source text.]

Perhaps the most impressive indication of the economic superiority of the free world over the Soviet world which can be made on the basis of available data is provided in comparisons (based mainly on the *Economic Survey of Europe, 1948)* [Table 2].

Table 2. Comparative Statistics on Economic Capabilities of East and West

	U.S. 1948-49	EUROPEAN NAT COUNTRIES	TOTAL	USSR (1950 PLAN)	SATELLITES 1948-49	TOTAL
Population (millions)	149	173	322	198 (a)	75	273
Employment in non-agricultural establishments (millions)	45	-	-	31 (a)	-	-
Gross National Production (billion dollars)	250	84	334	65 (a)	21	86
National income per capita (curent dollars)	1700	480	1040	330	280	315

Production data (b):						
Coal (million tons)	582	306	888	250	88	338
Electric power (billion kwh)	356	124	480	82	15	97
Crude petroleum (million tons)	277	1	278	35	5	40
Pig iron (million tons)	55	24	79	19.5	3.2	22.7
Steel (million tons)	80	32	112	25	6	31
Cement (million tons)	35	21	56	10.5	2.1	12.6
Motor vehicles (thousands)	5273	580	5853	500	25	525

(a)1949 data.

(b) for the European NAT countries and for the satellites, the data include output by major producers.

It should be noted that these comparisons understate the relative position of the NAT countries for several reasons: (1) Canada is excluded because comparable data were not available; (2) the data for the USSR are the 1950 targets (as stated in the fourth five-year plan) rather than actual rates of production and are believed to exceed in many cases the production actually achieved; (3) the data for the European NAT countries are actual data for 1948, and production has generally increased since that time.

Furthermore, the United States could achieve a substantial absolute increase in output and could thereby increase the allocation of resources to a build-up of the economic and military strength of itself and its allies without suffering a decline in its real standard of living. Industrial production declined by 10 percent between the first quarter of 1948 and the last quarter of 1949, and by approximately one-fourth between 1944 and 1949. In March 1950 there were approximately 4,750,000 unemployed, as compared to 1,070,000 in 1943 and 670,000 in 1944. The gross national product declined slowly in 1949 from the peak reached in 1948 ($262 billion in 1948 to an annual rate of $256 billion in the last six months of 1949), and in terms of constant prices declined by about 20 percent between 1944 and 1948.

With a high level of economic activity, the United States could soon attain a gross national product of $300 billion per year, as was pointed out in the President's Economic Report (January 1950). Progress in this direction would permit, and might itself be aided by, a buildup of the economic and military strength of the United States and the free world; furthermore, if a dynamic expansion of the economy were achieved, the necessary build-up could be accomplished without a decrease in the national standard of living because the required resources could be obtained by siphoning off a part of the annual increment in the gross national product. These are facts of fundamental importance in considering the courses of action open to the United States (cf. Ch. IX).

2. Intentions. Foreign economic policy is a major instrument in the conduct of United States foreign relations. It is an instrument which can powerfully influence the world environment in ways favorable to the security and welfare of this country. It is also an instrument which, if unwisely formulated and employed, can do actual harm to our national interests. It is an instrument uniquely suited to our capabilities, provided we have the tenacity of purpose and the understanding requisite to a realization of its potentials. Finally, it is an instrument peculiarly appropriate to the cold war.

The preceding analysis has indicated that an essential element in a program to frustrate the Kremlin design is the development of a successfully functioning system among the free nations. It is clear that economic conditions are among the fundamental determinants of the will and the strength to resist subversion and aggression.

United States foreign economic policy has been designed to assist in the building of such a system and such conditions in the free world. The principal features of this policy can be summarized as follows:

1. assistance to Western Europe in recovery and the creation of a viable economy (the European Recovery Program);
2. assistance to other countries because of their special needs arising out of the war or the cold war and our special interests in or responsibility for meeting them (grant assistance to Japan, the Philippines, and Korea, loans and credits by the Export-Import Bank, the International Monetary Fund, and the International Bank to Indonesia, Yugoslavia, Iran, etc.);
3. assistance in the development of underdeveloped areas (the Point IV program and loans and credits to various countries, overlapping to some extent with those mentioned under 2);
4. military assistance to the North Atlantic Treaty countries, Greece, Turkey, etc.;
5. restriction of East-West trade in items of military importance to the East;
6. purchase and stockpiling of strategic materials; and
7. efforts to reestablish an international economy based on multilateral trade, declining trade barriers, and convertible currencies (the GATT-ITO program, the Reciprocal Trade Agreements program, the IMF-IBRD program, and the program now being developed to solve the problem of the United States balance of payments).

In both their short and long term aspects, these policies and programs are directed to the strengthening of the free world and therefore to the frustration of the Kremlin design. Despite certain inadequacies and inconsistencies, which are now being studied in connection with the problem of the United States balance of payments, the United States has generally pursued a foreign economic policy which has powerfully supported its overall objectives. The question must nevertheless be asked whether current and currently projected programs will adequately support this policy in the future, in terms both of need and urgency.

The last year has been indecisive in the economic field. The Soviet Union has made considerable progress in integrating the satellite economies of Eastern Europe into the Soviet economy, but still faces very large problems, especially with China. The free nations have important accomplishments to record, but also have tremendous problems still ahead. On balance, neither side can claim any great advantage in this field over its relative position a year ago. The important question therefore becomes: what are the trends?

Several conclusions seem to emerge. First, the Soviet Union is widening the gap between its preparedness for war and the unpreparedness of the free world for war. It is devoting a far greater *proportion* of its resources to military purposes than are the free nations and, in significant components of military power, a greater *absolute* quantity of resources. Second, the Communist success in China, taken with the politico-economic situation in the rest of South and South-East Asia, provides a springboard for a further incursion in this troubled area. Although Communist China faces serious economic problems which may impose some strains on the Soviet economy, it is probable that the social and economic problems faced by the free nations in this area present more than offsetting opportunities for Communist expansion. Third, the Soviet Union holds positions in Europe which, if it maneuvers skillfully, could be used to do great damage to the Western European economy and to the maintenance of the Western orientation of certain countries, particularly Germany and Austria. Fourth, despite (and in part because of) the Titoist' defection, the Soviet Union has

accelerated its efforts to integrate satellite economy with its own and to increase the degree of autarchy within the areas under its control.

Fifth, meanwhile, Western Europe, with American (and Canadian) assistance, has achieved a record level of production. However, it faces the prospect of a rapid tapering off of American assistance without the possibility of achieving, by its own efforts, a satisfactory equilibrium with the dollar area. It has also made very little progress toward "economic integration," which would in the long run tend to improve its productivity and to provide an economic environment conducive to political stability. In particular, the movement toward economic integration does not appear to be rapid enough to provide Western Germany with adequate economic opportunities in the West. The United Kingdom still faces economic problems which may require a moderate but politically difficult decline in the British standard of living or more American assistance than is contemplated. At the same time, a strengthening of the British position is needed if the stability of the Commonwealth is not to be impaired and if it is to be a focus of resistance to Communist expansion in South and South-East Asia. Improvement of the British position is also vital in building up the defensive capabilities of Western Europe.

Sixth, throughout Asia the stability of the present moderate governments, which are more in sympathy with our purposes than any probable successor regimes would be, is doubtful. The problem is only in part an economic one. Assistance in economic development is important as a means of holding out to the peoples of Asia some prospect of improvement in standards of living under their present governments. But probably more important are a strengthening of central institutions, an improvement in administration, and generally a development of an economic and social structure within which the peoples of Asia can make more effective use of their great human and material resources.

Seventh, and perhaps most important, there are indications of a let-down of United States efforts under the pressure of the domestic budgetary situation, disillusion resulting from excessively optimistic expectations about the duration and results of our assistance programs, and doubts about the wisdom of continuing to strengthen the free nations as against preparedness measures in light of the intensity of the cold war.

Eighth, there are grounds for predicting that the United States and other free nations will within a period of a few years at most experience a decline in economic activity of serious proportions unless more positive governmental programs are developed than are now available.

In short, as we look into the future, the programs now planned will not meet the requirements of the free nations. The difficulty does not lie so much in the inadequacy or misdirection of policy as in the inadequacy of planned programs, in terms of timing or impact, to achieve our objectives. The risks inherent in this situation are set forth in the following chapter and a course of action designed to reinvigorate our efforts in order to reverse the present trends and to achieve our fundamental purpose is outlined in Chapter IX.

C. Military

The United States now possesses the greatest military potential of any single nation in the world. The military weaknesses of the United States vis-à-vis the Soviet Union, however, include its numerical inferiority in forces in being and in total manpower. Coupled with the inferiority of forces in being, the United States also lacks tenable positions from which to employ its forces in event of war and munitions power in being and readily available.

It is true that the United States armed forces are now stronger than ever before in other times of apparent peace; it is also true that there exists a sharp disparity between our actual military strength and our commitments. The relationship of our strength to our present commitments, however, is not alone the governing factor. The world situation, as well as commitments, should govern; hence, our military strength more properly should be related to the world

situation confronting us. When our military strength is related to the world situation and balanced against the likely exigencies of such a situation, it is clear that our military strength is becoming dangerously inadequate.

If war should begin in 1950, the United States and its allies will have the military capability of conducting defensive operations to provide a reasonable measure of protection to the Western Hemisphere, bases in the Western Pacific, and essential military lines of communication; and an inadequate measure of protection to vital military bases in the United Kingdom and in the Near and Middle East. We will have the capability of conducting powerful offensive air operations against vital elements of the Soviet war-making capacity.

The scale of the operations listed in the preceding paragraph is limited by the effective forces and material in being of the United States and its allies vis-à-vis the Soviet Union. Consistent with the aggressive threat facing us and in consonance with overall strategic plans, the United States must provide to its allies on a continuing basis as large amounts of military assistance as possible without serious detriment to the United States operational requirements.

If the potential military capabilities of the United States and its allies were rapidly and effectively developed, sufficient forces could be produced probably to deter war, or if the Soviet Union chooses war, to withstand the initial Soviet attacks, to stabilize supporting attacks, and to retaliate in turn with even greater impact on the Soviet capabilities. From the military point of view alone, however, this would require not only the generation of the necessary military forces but also the development and stockpiling of improved weapons of all types.

Under existing peacetime conditions, a period of from two to three years is required to produce a material increase in military power. Such increased power could be provided in a somewhat shorter period in a declared period of emergency or in wartime through a full-out national effort. Any increase in military power in peacetime, however, should be related both to its probable military role in war, to the implementation of immediate and long-term United States foreign policy vis-à-vis the Soviet Union, and to the realities of the existing situation. If such a course of increasing our military power is adopted now, the United States would have the capability of eliminating the disparity between its military strength and the exigencies of the situation we face; eventually of gaining the initiative in the "cold" war and of materially delaying if not stopping the Soviet offensives in war itself.

VII. PRESENT RISKS

A. General

It is apparent from the preceding sections that the integrity and vitality of our system is in greater jeopardy than ever before in our history. Even if there were no Soviet Union we would face the great problem of the free society, accentuated many fold in this industrial age, of reconciling order, security, the need for participation, with the requirement of freedom. We would face the fact that in a shrinking world the absence of order among nations is becoming less and less tolerable. The Kremlin design seeks to impose order among nations by means which would destroy our free and democratic system. The Kremlin's possession of atomic weapons puts new power behind its design, and increases the jeopardy to our system. It adds new strains to the uneasy equilibrium-without-order which exists in the world and raises new doubts in men's minds whether the world will long tolerate this tension without moving toward some kind of order, on somebody's terms.

The risks we face are of a new order of magnitude, commensurate with the total struggle in which we are engaged. For a free society there is never total victory, since freedom and democracy are never wholly attained, are always in the process of being attained. But defeat at the hands of the totalitarian is total defeat. These risks crowd in on us, in a shrinking world

of polarized power, so as to give us no choice, ultimately, between meeting them effectively or being overcome by them.

B. Specific

It is quite clear from Soviet theory and practice that the Kremlin seeks to bring the free world under its dominion by the methods of the cold war. The preferred technique is to subvert by infiltration and intimidation. Every institution of our society is an instrument which it is sought to stultify and turn against our purposes. Those that touch most closely our material and moral strength are obviously the prime targets, labor unions, civic enterprises, schools, churches, and all media for influencing opinion. The effort is not so much to make them serve obvious Soviet ends as to prevent them from serving our ends, and thus to make them sources of confusion in our economy, our culture, and our body politic. The doubts and diversities that in terms of our values are part of the merit of a free system, the weaknesses and the problems that are peculiar to it, the rights and privileges that free men enjoy, and the disorganization and destruction left in the wake of the last attack on our freedoms, all are but opportunities for the Kremlin to do its evil work. Every advantage is taken of the fact that our means of prevention and retaliation are limited by those principles and scruples which are precisely the ones that give our freedom and democracy its meaning for us. None of our scruples deter those whose only code is "morality is that which serves the revolution."

Since everything that gives us or others respect for our institutions is a suitable object for attack, it also fits the Kremlin's design that where, with impunity, we can be insulted and made to suffer indignity the opportunity shall not be missed, particularly in any context which can be used to cast dishonor on our country, our system, our motives, or our methods. Thus the means by which we sought to restore our own economic health in the '30's, and now seek to restore that of the free world, come equally under attack. The military aid by which we sought to help the free world was frantically denounced by the Communists in the early days of the last war, and of course our present efforts to develop adequate military strength for ourselves and our allies are equally denounced.

At the same time the Soviet Union is seeking to create overwhelming military force, in order to back up infiltration with intimidation. In the only terms in which it understands strength, it is seeking to demonstrate to the free world that force and the will to use it are on the side of the Kremlin, that those who lack it are decadent and doomed. In local incidents it threatens and encroaches both for the sake of local gains and to increase anxiety and defeatism in all the free world.

The possession of atomic weapons at each of the opposite poles of power, and the inability (for different reasons) of either side to place any trust in the other, puts a premium on a surprise attack against us. It equally puts a premium on a more violent and ruthless prosecution of its design by cold war, especially if the Kremlin is sufficiently objective to realize the improbability of our prosecuting a preventive war. It also puts a premium on piecemeal aggression against others, counting on our unwillingness to engage in atomic war unless we are directly attacked. We run all these risks and the added risk of being confused and immobilized by our inability to weigh and choose, and pursue a firm course based on a rational assessment of each.

The risk that we may thereby be prevented or too long delayed in taking all needful measures to maintain the integrity and vitality of our system is great. The risk that our allies will lose their determination is greater. And the risk that in this manner a descending spiral of too little and too late, of doubt and recrimination, may present us with ever narrower and more desperate alternatives, is the greatest risk of all. For example, it is clear that our present weakness would prevent us from offering effective resistance at any of several vital pressure points. The only deterrent we can present to the Kremlin is the evidence we give that we may make any of the critical points which we cannot hold the occasion for a global war of annihilation.

The risk of having no better choice than to capitulate or precipitate a global war at any of a number of pressure points is bad enough in itself, but it is multiplied by the weakness it imparts to our position in the cold war. Instead of appearing strong and resolute we are continually at the verge of appearing and being alternately irresolute and desperate; yet it is the cold war which we must win, because both the Kremlin design, and our fundamental purpose give it the first priority.

The frustration of the Kremlin design, however, cannot be accomplished by us alone, as will appear from the analysis in Chapter IX, B. Strength at the center, in the United States, is only the first of two essential elements. The second is that our allies and potential allies do not as a result of a sense of frustration or of Soviet intimidation drift into a course of neutrality eventually leading to Soviet domination. If this were to happen in Germany the effect upon Western Europe and eventually upon us might be catastrophic.

But there are risks in making ourselves strong. A large measure of sacrifice and discipline will be demanded of the American people. They will be asked to give up some of the benefits which they have come to associate with their freedoms. Nothing could be more important than that they fully understand the reasons for this. The risks of a superficial understanding or of an inadequate appreciation of the issues are obvious and might lead to the adoption of measures which in themselves would jeopardize the integrity of our system. At any point in the process of demonstrating our will to make good our fundamental purpose, the Kremlin may decide to precipitate a general war, or in testing us, may go too far. These are risks we will invite by making ourselves strong, but they are lesser risks than those we seek to avoid. Our fundamental purpose is more likely to be defeated from lack of the will to maintain it, than from any mistakes we may make or assault we may undergo because of asserting that will. No people in history have preserved their freedom who thought that by not being strong enough to protect themselves they might prove inoffensive to their enemies.

VIII. ATOMIC ARMAMENTS

A. Military evaluation of U.S. and ussr atomic capabilities

1. The United States now has an atomic capability, including both numbers and deliverability, estimated to be adequate, if effectively utilized, to deliver a serious blow against the war-making capacity of the USSR. It is doubted whether such a blow, even if it resulted in the complete destruction of the contemplated target systems, would cause the USSR to sue for terms or prevent Soviet forces from occupying Western Europe against such ground resistance as could presently be mobilized. A very serious initial blow could, however, so reduce the capabilities of the USSR to supply and equip its military organization and its civilian population as to give the United States the prospect of developing a general military superiority in a war of long duration.

2. As the atomic capability of the USSR increases, it will have an increased ability to hit at our atomic bases and installations and thus seriously hamper the ability of the United States to carry out an attack such as that outlined above. It is quite possible that in the near future the USSR will have a sufficient number of atomic bombs and a sufficient deliverability to raise a question whether Britain with its present inadequate air defense could be relied upon as an advance base from which a major portion of the U.S. attack could be launched.

It is estimated that, within the next four years, the USSR will attain the capability of seriously damaging vital centers of the United States, provided it strikes a surprise blow and provided further that the blow is opposed by no more effective opposition than we now have programmed. Such a blow could so seriously damage the United States as to greatly reduce its superiority in economic potential.

Effective opposition to this Soviet capability will require among other measures greatly increased air warning systems, air defenses, and vigorous development and implementation

of a civilian defense program which has been thoroughly integrated with the military defense systems.

In time the atomic capability of the USSR can be expected to grow to a point where, given surprise and no more effective opposition than we now have programmed, the possibility of a decisive initial attack cannot be excluded.

3. In the initial phases of an atomic war, the advantages of initiative and surprise would be very great. A police state living behind an iron curtain has an enormous advantage in maintaining the necessary security and centralization of decision required to capitalize on this advantage.

4. For the moment our atomic retaliatory capability is probably adequate to deter the Kremlin from a deliberate direct military attack against ourselves or other free peoples. However, when it calculates that it has a sufficient atomic capability to make a surprise attack on us, nullifying our atomic superiority and creating a military situation decisively in its favor, the Kremlin might be tempted to strike swiftly and with stealth. The existence of two large atomic capabilities in such a relationship might well act, therefore, not as a deterrent, but as an incitement to war.

5. A further increase in the number and power of our atomic weapons is necessary in order to assure the effectiveness of any U.S. retaliatory blow, but would not of itself seem to change the basic logic of the above points. Greatly increased general air, ground, and sea strength, and increased air defense and civilian defense programs would also be necessary to provide reasonable assurance that the free world could survive an initial surprise atomic attack of the weight which it is estimated the USSR will be capable of delivering by 1954 and still permit the free world to go on to the eventual attainment of its objectives. Furthermore, such a build-up of strength could safeguard and increase our retaliatory power, and thus might put off for some time the date when the Soviet Union could calculate that a surprise blow would be advantageous. This would provide additional time for the effects of our policies to produce a modification of the Soviet system.

6. If the USSR develops a thermonuclear weapon ahead of the U.S., the risks of greatly increased Soviet pressure against all the free world, or an attack against the U.S., will be greatly increased.

7. If the U.S. develops a thermonuclear weapon ahead of the USSR, the U.S. should for the time being be able to bring increased pressure on the USSR.

B. Stockpiling and use of atomic weapons

1. From the foregoing analysis it appears that it would be to the long-term advantage of the United States if atomic weapons were to be effectively eliminated from national peacetime armaments; the additional objectives which must be secured if there is to be a reasonable prospect of such effective elimination of atomic weapons are discussed in Chapter IX. In the absence of such elimination and the securing of these objectives, it would appear that we have no alternative but to increase our atomic capability as rapidly as other considerations make appropriate. In either case, it appears to be imperative to increase as rapidly as possible our general air, ground, and sea strength and that of our allies to a point where we are militarily not so heavily dependent on atomic weapons.

2. As is indicated in Chapter IV, it is important that the United States employ military force only if the necessity for its use is clear and compelling and commends itself to the overwhelming majority of our people. The United States cannot therefore engage in war except as a reaction to aggression of so clear and compelling a nature as to bring the overwhelming majority of our people to accept the use of military force. In the event war comes, our use of force must be to compel the acceptance of our objectives and must be congruent to the range of tasks which we may encounter.

In the event of a general war with the USSR, it must be anticipated that atomic weapons will be used by each side in the manner it deems best suited to accomplish its objectives. In view of our vulnerability to Soviet atomic attack, it has been argued that we might wish to hold our atomic weapons only for retaliation against prior use by the USSR. To be able to do so and still have hope of achieving our objectives, the non-atomic military capabilities of ourselves and our allies would have to be fully developed and the political weaknesses of the Soviet Union fully exploited. In the event of war, however, we could not be sure that we could move toward the attainment of these objectives without the USSR's resorting sooner or later to the use of its atomic weapons. Only if we had overwhelming atomic superiority and obtained command of the air might the USSR be deterred from employing its atomic weapons as we progressed toward the attainment of our objectives.

In the event the USSR develops by 1954 the atomic capability which we now anticipate, it is hardly conceivable that, if war comes, the Soviet leaders would refrain from the use of atomic weapons unless they felt fully confident of attaining their objectives by other means.

In the event we use atomic weapons either in retaliation for their prior use by the USSR or because there is no alternative method by which we can attain our objectives, it is imperative that the strategic and tactical targets against which they are used be appropriate and the manner in which they are used be consistent with those objectives.

It appears to follow from the above that we should produce and stockpile thermonuclear weapons in the event they prove feasible and would add significantly to our net capability. Not enough is yet known of their potentialities to warrant a judgment at this time regarding their use in war to attain our objectives.

3. It has been suggested that we announce that we will not use atomic weapons except in retaliation against the prior use of such weapons by an aggressor. It has been argued that such a declaration would decrease the danger of an atomic attack against the United States and its allies.

In our present situation of relative unpreparedness in conventional weapons, such a declaration would be interpreted by the USSR as an admission of great weakness and by our allies as a clear indication that we intended to abandon them. Furthermore, it is doubtful whether such a declaration would be taken sufficiently seriously by the Kremlin to constitute an important factor in determining whether or not to attack the United States. It is to be anticipated that the Kremlin would weigh the facts of our capability far more heavily than a declaration of what we proposed to do with that capability.

Unless we are prepared to abandon our objectives, we cannot make such a declaration in good faith until we are confident that we will be in a position to attain our objectives without war, or, in the event of war, without recourse to the use of atomic weapons for strategic or tactical purposes.

C. International control of atomic energy

1. A discussion of certain of the basic considerations involved in securing effective international control is necessary to make clear why the additional objectives discussed in Chapter IX must be secured.

2. No system of international control could prevent the production and use of atomic weapons in the event of a prolonged war. Even the most effective system of international control could, of itself, only provide (a) assurance that atomic weapons had been eliminated from national peacetime armaments and (b) immediate notice of a violation. In essence, an effective international control system would be expected to assure a certain amount of time after notice of violation before atomic weapons could be used in war.

3. The time period between notice of violation and possible use of atomic weapons in war which a control system could be expected to assure depends upon a number of factors.

The dismantling of existing stockpiles of bombs and the destruction of casings and firing mechanisms could by themselves give little assurance of securing time. Casings and firing mechanisms are presumably easy to produce, even surreptitiously, and the assembly of weapons does not take much time.

If existing stocks of fissionable materials were in some way eliminated and the future production of fissionable materials effectively controlled, war could not start with a surprise atomic attack.

In order to assure an appreciable time lag between notice of violation and the time when atomic weapons might be available in quantity, it would be necessary to destroy all plants capable of making large amounts of fissionable material. Such action would, however, require a moratorium on those possible peacetime uses which call for large quantities of fissionable materials.

Effective control over the production and stockpiling of raw materials might further extend the time period which effective international control would assure. Now that the Russians have learned the technique of producing atomic weapons, the time between violation of an international control agreement and production of atomic weapons will be shorter than was estimated in 1946, except possibly in the field of thermonuclear or other new types of weapons.

4. The certainty of notice of violation also depends upon a number of factors. In the absence of good faith, it is to be doubted whether any system can be designed which will give certainty of notice of violation. International ownership of raw materials and fissionable materials and international ownership and operation of dangerous facilities, coupled with inspection based on continuous unlimited freedom of access to all parts of the Soviet Union (as well as to all parts of the territory of other signatories to the control agreement) appear to be necessary to give the requisite degree of assurance against secret violations. As the Soviet stockpile of fissionable materials grows, the amount which the USSR might secretly withhold and not declare to the inspection agency grows. In this sense, the earlier an agreement is consummated the greater the security it would offer. The possibility of successful secret production operations also increases with developments which may reduce the size and power consumption of individual reactors. The development of a thermonuclear bomb would increase many fold the damage a given amount of fissionable material could do and would, therefore, vastly increase the danger that a decisive advantage could be gained through secret operations.

5. The relative sacrifices which would be involved in international control need also to be considered. If it were possible to negotiate an effective system of international control the United States would presumably sacrifice a much larger stockpile of atomic weapons and a much larger production capacity than would the USSR. The opening up of national territory to international inspection involved in an adequate control and inspection system would have a far greater impact on the USSR than on the United States. If the control system involves the destruction of all large reactors and thus a moratorium on certain possible peacetime uses, the USSR can be expected to argue that it, because of greater need for new sources of energy, would be making a greater sacrifice in this regard than the United States.

6. The United States and the peoples of the world as a whole desire a respite from the dangers of atomic warfare. The chief difficulty lies in the danger that the respite would be short and that we might not have adequate notice of its pending termination. For such an arrangement to be in the interest of the United States, it is essential that the agreement be entered into in good faith by both sides and the probability against its violation high.

7. The most substantial contribution to security of an effective international control system would, of course, be the opening up of the Soviet Union, as required under the UN plan. Such opening up is not, however, compatible with the maintenance of the Soviet system in its present rigor. This is a major reason for the Soviet refusal to accept the UN plan.

The studies which began with the Acheson-Lilienthal committee and culminated in the present UN plan made it clear that inspection of atomic facilities would not alone give the assurance of control; but that ownership and operation by an international authority of the world's atomic energy activities from the mine to the last use of fissionable materials was also essential. The delegation of sovereignty which this implies is necessary for effective control and, therefore, is as necessary for the United States and the rest of the free world as it is presently unacceptable to the Soviet Union.

It is also clear that a control authority not susceptible directly or indirectly to Soviet domination is equally essential. As the Soviet Union would regard any country not under its domination as under the potential if not the actual domination of the United States, it is clear that what the United States and the non-Soviet world must insist on, the Soviet Union at present rejects.

The principal immediate benefit of international control would be to make a surprise atomic attack impossible, assuming the elimination of large reactors and the effective disposal of stockpiles of fissionable materials. But it is almost certain that the Soviet Union would not agree to the elimination of large reactors, unless the impracticability of producing atomic power for peaceful purposes had been demonstrated beyond a doubt. By the same token, it would not now agree to elimination of its stockpile of fissionable materials.

Finally, the absence of good faith on the part of the USSR must be assumed until there is concrete evidence that there has been a decisive change in Soviet policies. It is to be doubted whether such a change can take place without a change in the nature of the Soviet system itself.

The above considerations make it clear that at least a major change in the relative power positions of the United States and the Soviet Union would have to take place before an effective system of international control could be negotiated. The Soviet Union would have had to have moved a substantial distance down the path of accommodation and compromise before such an arrangement would be conceivable. This conclusion is supported by the Third Report of the United Nations Atomic Energy Commission to the Security Council, May 17, 1948, in which it is stated that ". . . the majority of the Commission has been unable to secure . . . their acceptance of the nature and extent of participation in the world community required of all nations in this field.... As a result, the Commission has been forced to recognize that agreement on effective measures for the control of atomic energy is itself dependent on cooperation in broader fields of policy."

In short, it is impossible to hope than an effective plan for international control can be negotiated unless and until the Kremlin design has been frustrated to a point at which a genuine and drastic change in Soviet policies has taken place.

IX. POSSIBLE COURSES OF ACTION

Introduction. Four possible courses of action by the United States in the present situation can be distinguished. They are:

a. Continuation of current policies, with current and currently projected programs for carrying out these policies;
b. Isolation;
c. War; and
d. A more rapid building up of the political, economic, and military strength of the free world than provided under a, with the purpose of reaching, if possible, a tolerable state of order among nations without war and of preparing to defend ourselves in the event that the free world is attacked.

The role of negotiation. Negotiation must be considered in relation to these courses of action. A negotiator always attempts to achieve an agreement which is somewhat better than the

realities of his fundamental position would justify and which is, in any case, not worse than his fundamental position requires. This is as true in relations among sovereign states as in relations between individuals. The Soviet Union possesses several advantages over the free world in negotiations on any issue:

a. It can and does enforce secrecy on all significant facts about conditions within the Soviet Union, so that it can be expected to know more about the realities of the free world's position than the free world knows about its position;

b. It does not have to be responsive in any important sense to public opinion;

c. It does not have to consult and agree with any other countries on the terms it will offer 'And accept; and
d. It can influence public opinion in other countries while insulating the peoples under its control.

These are important advantages. Together with the unfavorable trend of our power position, they militate, as is shown in Section A below, against successful negotiation of a general settlement at this time. For although the United States probably now possesses, principally in atomic weapons, a force adequate to deliver a powerful blow upon the Soviet Union and to open the road to victory in a long war, it is not sufficient by itself to advance the position of the United States in the cold war.

The problem is to create such political and economic conditions in the free world, backed by force sufficient to inhibit Soviet attack, that the Kremlin will accommodate itself to these conditions, gradually withdraw, and eventually change its policies drastically. It has been shown in Chapter VIII that truly effective control of atomic energy would require such an opening up of the Soviet Union and such evidence in other ways of its good faith and its intent to co-exist in peace as to reflect or at least initiate a change in the Soviet system.

Clearly under present circumstances we will not be able to negotiate a settlement which calls for a change in the Soviet system. What, then, is the role of negotiation?

In the first place, the public in the United States and in other free countries will require, as a condition to firm policies and adequate programs directed to the frustration of the Kremlin design, that the free world be continuously prepared to negotiate agreements with the Soviet Union on equitable terms. It is still argued by many people here and abroad that equitable agreements with the Soviet Union are possible, and this view will gain force if the Soviet Union begins to show signs of accommodation, even on unimportant issues.

The free countries must always, therefore, be prepared to negotiate and must be ready to take the initiative at times in seeking negotiation. They must develop a negotiating position which defines the issues and the terms on which they would be prepared--and at what stages--to accept agreements with the Soviet Union. The terms must be fair in the view of popular opinion in the free world. This means that they must be consistent with a positive program for peace--in harmony with the United Nations' Charter and providing, at a minimum, for the effective control of all armaments by the United Nations or a successor organization. The terms must not require more of the Soviet Union than such behavior and such participation in a world organization. The fact that such conduct by the Soviet Union is impossible without such a radical change in Soviet policies as to constitute a change in the Soviet system would then emerge as a result of the Kremlin's unwillingness to accept such terms or of its bad faith in observing them.

A sound negotiating position is, therefore, an essential element in the ideological conflict. For some time after a decision to build up strength, any offer of, or attempt at, negotiation of a general settlement along the lines of the Berkeley speech by the Secretary of State could be only a tactic.' Nevertheless, concurrently with a decision and a start on building up the strength of the free world, it may be desirable to pursue this tactic both to gain public support for the program and to minimize the immediate risks of war. It is urgently necessary for the

United States to determine its negotiating position and to obtain agreement with its major allies on the purposes and terms of negotiation.

In the second place, assuming that the United States in cooperation with other free countries decides and acts to increase the strength of the free world and assuming that the Kremlin chooses the path of accommodation, it will from time to time be necessary and desirable to negotiate on various specific issues with the Kremlin as the area of possible agreement widens.

The Kremlin will have three major objectives in negotiations with the United States. The first is to eliminate the atomic capabilities of the United States; the second is to prevent the effective mobilization of the superior potential of the free world in human and material resources; and the third is to secure a withdrawal of United States forces from, and commitments to, Europe and Japan. Depending on its evaluation of its own strengths and weaknesses as against the West's (particularly the ability and will of the West to sustain its efforts), it will or will not be prepared to make important concessions to achieve these major objectives. It is unlikely that the Kremlin's evaluation is such that it would now be prepared to make significant concessions.

The objectives of the United States and other free countries in negotiations with the Soviet Union (apart from the ideological objectives discussed above) are to record, in a formal fashion which will facilitate the consolidation and further advance of our position, the process of Soviet accommodation to the new political, psychological, and economic conditions in the world which will result from adoption of the fourth course of action and which will be supported by the increasing military strength developed as an integral part of that course of action. In short, our objectives are to record, where desirable, the gradual withdrawal of the Soviet Union and to facilitate that process by making negotiation, if possible, always more expedient than resort to force.

It must be presumed that for some time the Kremlin will accept agreements only if it is convinced that by acting in bad faith whenever and wherever there is an opportunity to do so with impunity, it can derive greater advantage from the agreements than the free world. For this reason, we must take care that any agreements are enforceable or that they are not susceptible of violation without detection and the possibility of effective countermeasures.

This further suggests that we will have to consider carefully the order in which agreements can be concluded. Agreement on the control of atomic energy would result in a relatively greater disarmament of the United States than of the Soviet Union, even assuming considerable progress in building up the strength of the free world in conventional forces and weapons. It might be accepted by the Soviet Union as part of a deliberate design to move against Western Europe and other areas of strategic importance with conventional forces and weapons. In this event, the United States would find itself at war, having previously disarmed itself in its most important weapon, and would be engaged in a race to redevelop atomic weapons.

This seems to indicate that for the time being the United States and other free countries would have to insist on concurrent agreement on the control of nonatomic forces and weapons and perhaps on the other elements of a general settlement, notably peace treaties with Germany, Austria, and Japan and the withdrawal of Soviet influence from the satellites. If, contrary to our expectations, the Soviet Union should accept agreements promising effective control of atomic energy and conventional armaments, without any other changes in Soviet policies, we would have to consider very carefully whether we could accept such agreements. It is unlikely that this problem will arise.

To the extent that the United States and the rest of the free world succeed in so building up their strength in conventional forces and weapons that a Soviet attack with similar forces could be thwarted or held, we will gain increased flexibility and can seek agreements on the various issues in any order, as they become negotiable.

In the third place, negotiation will play a part in the building up of the strength of the free world, apart from the ideological strength discussed above. This is most evident in the problems of Germany, Austria, and Japan. In the process of building up strength, it may be desirable for the free nations, without the Soviet Union, to conclude separate arrangements with Japan, Western Germany, and Austria which would enlist the energies and resources of these countries in support of the free world. This will be difficult unless it has been demonstrated by attempted negotiation with the Soviet Union that the Soviet Union is not prepared to accept treaties of peace which would leave these countries free, under adequate safeguards, to participate in the United Nations and in regional or broader associations of states consistent with the United Nations' Charter and providing security and adequate opportunities for the peaceful development of their political and economic life.

This demonstrates the importance, from the point of view of negotiation as well as for its relationship to the building up of the strength of the free world (see Section D below), of the problem of closer association – on a regional or a broader basis – among the free countries.

In conclusion, negotiation is not a possible separate course of action but rather a means of gaining support for a program of building strength, of recording, where necessary and desirable, progress in the cold war, and of facilitating further progress while helping to minimize the risks of war. Ultimately, it is our objective to negotiate a settlement with the Soviet Union (or a successor state or states) on which the world can place reliance as an enforceable instrument of peace. But it is important to emphasize that such a settlement can only record the progress which the free world will have made in creating a political and economic system in the world so successful that the frustration of the Kremlin's design for world domination will be complete. The analysis in the following sections indicates that the building of such a system requires expanded and accelerated programs for the carrying out of current policies.

A. The first course – continuation of current policies, with current and currently projected programs for carrying out these policies

1. Military aspects. On the basis of current programs, the United States has a large potential military capability but an actual capability which, though improving, is declining relative to the USSR, particularly in light of its probable fission bomb capability and possible thermonuclear bomb capability. The same holds true for the free world as a whole relative to the Soviet world as a whole. If war breaks out in 1950 or in the next few years, the United States and its allies, apart from a powerful atomic blow, will be compelled to conduct delaying actions, while building up their strength for a general offensive. A frank evaluation of the requirements, to defend the United States and its vital interests and to support a vigorous initiative in the cold war, on the one hand, and of present capabilities, on the other, indicates that there is a sharp and growing disparity between them.

A review of Soviet policy shows that the military capabilities, actual and potential, of the United States and the rest of the free world, together with the apparent determination of the free world to resist further Soviet expansion, have not induced the Kremlin to relax its pressures generally or to give up the initiative in the cold war. On the contrary, the Soviet Union has consistently pursued a bold foreign policy, modified only when its probing revealed a determination and an ability of the free world to resist encroachment upon it. The relative military capabilities of the free world are declining, with the result that its determination to resist may also decline and that the security of the United States and the free world as a whole will be jeopardized.

From the military point of view, the actual and potential capabilities of the United States, given a continuation of current and projected programs, will become less and less effective as a war deterrent. Improvement of the state of readiness will become more and more important not only to inhibit the launching of war by the Soviet Union but also to support a national policy designed to reverse the present ominous trends in international relations. A building

up of the military capabilities of the United States and the free world is a pre-condition to the achievement of the objectives outlined in this report and to the protection of the United States against disaster.

Fortunately, the United States military establishment has been developed into a unified and effective force as a result of the policies laid down by the Congress and the vigorous carrying out of these policies by the Administration in the fields of both organization and economy. It is, therefore, a base upon which increased strength can be rapidly built with maximum efficiency and economy.

2. Political aspects. The Soviet Union is pursuing the initiative in the conflict with the free world. Its atomic capabilities, together with its successes in the Far East, have led to an increasing confidence on its part and to an increasing nervousness in Western Europe and the rest of the free world. We cannot be sure, of course, how vigorously the Soviet Union will pursue its initiative, nor can we be sure of the strength or weakness of the other free countries in reacting to it. There are, however, ominous signs of further deterioration in the Far East. There are also some indications that a decline in morale and confidence in Western Europe may be expected. In particular, the situation in Germany is unsettled. Should the belief or suspicion spread that the free nations are not now able to prevent the Soviet Union from taking, if it chooses, the military actions outlined in Chapter V, the determination of the free countries to resist probably would lessen and there would be an increasing temptation for them to seek a position of neutrality.

Politically, recognition of the military implications of a continuation of present trends will mean that the United States and especially other free countries will tend to shift to the defensive, or to follow a dangerous policy of bluff, because the maintenance of a firm initiative in the cold war is closely related to aggregate strength in being and readily available.

This is largely a problem of the incongruity of the current actual capabilities of the free world and the threat to it, for the free world has an economic and military potential far superior to the potential of the Soviet Union and its satellites. The shadow of Soviet force falls darkly on Western Europe and Asia and supports a policy of encroachment. The free world lacks adequate means--in the form of forces in being--to thwart such expansion locally. The United States will therefore be confronted more frequently with the dilemma of reacting totally to a limited extension of Soviet control or of not reacting at all (except with ineffectual protests and half measures). Continuation of present trends is likely to lead, therefore, to a gradual withdrawal under the direct or indirect pressure of the Soviet Union, until we discover one day that we have sacrificed positions of vital interest. In other words, the United States would have chosen, by lack of the necessary decisions and actions, to fall back to isolation in the Western Hemisphere. This course would at best result in only a relatively brief truce and would be ended either by our capitulation or by a defensive war--on unfavorable terms from unfavorable positions--against a Soviet Empire compromising all or most of Eurasia. (See Section B.)

3. Economic and social aspects. As was pointed out in Chapter Vl, the present foreign economic policies and programs of the United States will not produce a solution to the problem of international economic equilibrium, notably the problem of the dollar gap, and will not create an economic base conducive to political stability in many important free countries.

The European Recovery Program has been successful in assisting the restoration and expansion of production in Western Europe and has been a major factor in checking the dry rot of Communism in Western Europe. However, little progress has been made toward the resumption by Western Europe of a position of influence in world affairs commensurate with its potential strength. Progress in this direction will require integrated political, economic, and military policies and programs, which are supported by the United States and the

Western European countries and which will probably require a deeper participation by the United States than has been contemplated.

The Point IV Program and other assistance programs will not adequately supplement, as now projected, the efforts of other important countries to develop effective institutions, to improve the administration of their affairs, and to achieve a sufficient measure of economic development. The moderate regimes now in power in many countries, like India, Indonesia, Pakistan, and the Philippines, will probably be unable to restore or retain their popular support and authority unless they are assisted in bringing about a more rapid improvement of the economic and social structure than present programs will make possible.

The Executive Branch is now undertaking a study of the problem of the United States balance of payments and of the measures which might be taken by the United States to assist in establishing international economic equilibrium. This is a very important project and work on it should have a high priority. However, unless such an economic program is matched and supplemented by an equally far-sighted and vigorous political and military program, we will not be successful in checking and rolling back the Kremlin's drive.

4. Negotiation. In short, by continuing along its present course the free world will not succeed in making effective use of its vastly superior political, economic, and military potential to build a tolerable state of order among nations. On the contrary, the political, economic, and military situation of the free world is already unsatisfactory and will become less favorable unless we act to reverse present trends.

This situation is one which militates against successful negotiations with the Kremlin--for the terms of agreements on important pending issues would reflect present realities and would therefore be unacceptable, if not disastrous, to the United States and the rest of the free world. Unless a decision had been made and action undertaken to build up the strength, in the broadest sense, of the United States and the free world, an attempt to negotiate a general settlement on terms acceptable to us would be ineffective and probably long drawn out, and might thereby seriously delay the necessary measures to build up our strength.

This is true despite the fact that the United States now has the capability of delivering a powerful blow against the Soviet Union in the event of war, for one of the present realities is that the United States is not prepared to threaten the use of our present atomic superiority to coerce the Soviet Union into acceptable agreements. In light of present trends, the Soviet Union will not withdraw and the only conceivable basis for a general settlement would be spheres of influence and of no influenced "settlement" which the Kremlin could readily exploit to its great advantage. The idea that Germany or Japan or other important areas can exist as islands of neutrality in a divided world is unreal, given the Kremlin design for world domination.

B. The second course – isolation

Continuation of present trends, it has been shown above, will lead progressively to the withdrawal of the United States from most of its present commitments in Europe and Asia and to our isolation in the Western Hemisphere and its approaches. This would result not from a conscious decision but from a failure to take the actions necessary to bring our capabilities into line with our commitments and thus to a withdrawal under pressure. This pressure might come from our present Allies, who will tend to seek other "solutions" unless they have confidence in our determination to accelerate our efforts to build a successfully functioning political and economic system in the free world.

There are some who advocate a deliberate decision to isolate ourselves. Superficially, this has some attractiveness as a course of action, for it appears to bring our commitments and capabilities into harmony by reducing the former and by concentrating our present, or perhaps even reduced, military expenditures on the defense of the United States.

This argument overlooks the relativity of capabilities. With the United States in an isolated position, we would have to face the probability that the Soviet Union would quickly dominate most of Eurasia, probably without meeting armed resistance. It would thus acquire a potential far superior to our own, and would promptly proceed to develop this potential with the purpose of eliminating our power, which would, even in isolation, remain as a challenge to it and as an obstacle to the imposition of its kind of order in the world. There is no way to make ourselves inoffensive to the Kremlin except by complete submission to its will. Therefore isolation would in the end condemn us to capitulate or to fight alone and on the defensive, with drastically limited offensive and retaliatory capabilities in comparison with the Soviet Union. (These are the only possibilities, unless we are prepared to risk the future on the hazard that the Soviet Empire, because of over-extension or other reasons, will spontaneously destroy itself from within.)

The argument also overlooks the imponderable, but nevertheless drastic, effects on our belief in ourselves and in our way of life of a deliberate decision to isolate ourselves. As the Soviet Union came to dominate free countries, it is clear that many Americans would feel a deep sense of responsibility and guilt for having abandoned their former friends and allies. As the Soviet Union mobilized the resources of Eurasia, increased its relative military capabilities, and heightened its threat to our security, some would be tempted to accept "peace" on its terms, while many would seek to defend the United States by creating a regimented system which would permit the assignment of a tremendous part of our resources to defense. Under such a state of affairs our national morale would be corrupted and the integrity and vitality of our system subverted.

Under this course of action, there would be no negotiation, unless on the Kremlin's terms, for we would have given up everything of importance.

It is possible that at some point in the course of isolation, many Americans would come to favor a surprise attack on the Soviet Union and the area under its control, in a desperate attempt to alter decisively the balance of power by an overwhelming blow with modem weapons of mass destruction. It appears unlikely that the Soviet Union would wait for such an attack before launching one of its own. But even if it did and even if our attack were successful, it is clear that the United States would face appalling tasks in establishing a tolerable state of order among nations after such a war and after Soviet occupation of all or most of Eurasia for some years. These tasks appear so enormous and success so unlikely that reason dictates an attempt to achieve our objectives by other means.

C. The third course – war

Some Americans favor a deliberate decision to go to war against the Soviet Union in the near future. It goes without saying that the idea of "preventive" war – in the sense of a military attack not provoked by a military attack upon us or our allies – is generally unacceptable to Americans. Its supporters argue that since the Soviet Union is in fact at war with the free world now and that since the failure of the Soviet Union to use all-out military force is explainable on grounds of expediency, we are at war and should conduct ourselves accordingly. Some further argue that the free world is probably unable, except under the crisis of war, to mobilize and direct its resources to the checking and rolling back of the Kremlin's drive for world dominion. This is a powerful argument in the light of history, but the considerations against war are so compelling that the free world must demonstrate that this argument is wrong. The case for war is premised on the assumption that the United States could launch and sustain an attack of sufficient impact to gain a decisive advantage for the free world in a long war and perhaps to win an early decision.

The ability of the United States to launch effective offensive operations is now limited to attack with atomic weapons. A powerful blow could be delivered upon the Soviet Union, but it is estimated that these operations alone would not force or induce the Kremlin to capitulate and that the Kremlin would still be able to use the forces under its control to dominate most

or all of Eurasia. This would probably mean a long and difficult struggle during which the free institutions of Western Europe and many freedom-loving people would be destroyed and the regenerative capacity of Western Europe dealt a crippling blow.

Apart from this, however, a surprise attack upon the Soviet Union, despite the provocativeness of recent Soviet behavior, would be repugnant to many Americans. Although the American people would probably rally in support of the war effort, the shock of responsibility for a surprise attack would be morally corrosive. Many would doubt that it was a "just war" and that all reasonable possibilities for a peaceful settlement had been explored in good faith. Many more, proportionately, would hold such views in other countries, particularly in Western Europe and particularly after Soviet occupation, if only because the Soviet Union would liquidate articulate opponents. It would, therefore, be difficult after such a war to create a satisfactory international order among nations. Victory in such a war would have brought us little if at all closer to victory in the fundamental ideological conflict.

These considerations are no less weighty because they are imponderable, and they rule out an attack unless it is demonstrably in the nature of a counter-attack to a blow which is on its way or about to be delivered. (The military advantages of landing the first blow become increasingly important with modem weapons, and this is a fact which requires us to be on the alert in order to strike with our full weight as soon as we are attacked, and, if possible, before the Soviet blow is actually delivered.) If the argument of Chapter IV is accepted, it follows that there is no "easy" solution and that the only sure victory lies in the frustration of the Kremlin design by the steady development of the moral and material strength of the free world and its projection into the Soviet world in such a way as to bring about an internal change in the Soviet system.

D. The remaining course of action – a rapid build-up of political, economic, and military strength in the free world

A more rapid build-up of political, economic, and military strength and thereby of confidence in the free world than is now contemplated is the only course which is consistent with progress toward achieving our fundamental purpose. The frustration of the Kremlin design requires the free world to develop a successfully functioning political and economic system and a vigorous political offensive against the Soviet Union. These, in turn, require an adequate military shield under which they can develop. It is necessary to have the military power to deter, if possible, Soviet expansion, and to defeat, if necessary, aggressive Soviet or Soviet-directed actions of a limited or total character. The potential strength of the free world is great; its ability to develop these military capabilities and its will to resist Soviet expansion will be determined by the wisdom and will with which it undertakes to meet its political and economic problems.

1. Military aspects. It has been indicated in Chapter VI that U.S. military capabilities are strategically more defensive in nature than offensive and are more potential than actual. It is evident, from an analysis of the past and of the trend of weapon development, that there is now and will be in the future no absolute defense. The history of war also indicates that a favorable decision can only be achieved through offensive action. Even a defensive strategy, if it is to be successful, calls not only for defensive forces to hold vital positions while mobilizing and preparing for the offensive, but also for offensive forces to attack the enemy and keep him off balance.

The two fundamental requirements which must be met by forces in being or readily available are support of foreign policy and protection against disaster. To meet the second requirement, the forces in being or readily available must be able, at a minimum, to perform certain basic tasks:

a. To defend the Western Hemisphere and essential allied areas in order that their war-making capabilities can be developed;

b. To provide and protect a mobilization base while the offensive forces required for victory are being built up;
c. To conduct offensive operations to destroy vital elements of the Soviet war-making capacity, and to keep the enemy off balance until the full offensive strength of the United States and its allies can be brought to bear;
d. To defend and maintain the lines of communication and base areas necessary to the execution of the above tasks; and
e. To provide such aid to allies as is essential to the execution of their role in the above tasks.

In the broadest terms, the ability to perform these tasks requires a build-up of military strength by the United States and its allies to a point at which the combined strength will be superior for at least these tasks, both initially and throughout a war, to the forces that can be brought to bear by the Soviet Union and its satellites. In specific terms, it is not essential to match item for item with the Soviet Union, but to provide an adequate defense against air attack on the United States and Canada and an adequate defense against air and surface attack on the United Kingdom and Western Europe, Alaska, the Western Pacific, Africa, and the Near and Middle East, and on the long lines of communication to these areas. Furthermore, it is mandatory that in building up our strength, we enlarge upon our technical superiority by an accelerated exploitation of the scientific potential of the United States and our allies.

Forces of this size and character are necessary not only for protection against disaster but also to support our foreign policy. In fact, it can be argued that larger forces in being and readily available are necessary to inhibit a would-be aggressor than to provide the nucleus of strength and the mobilization base on which the tremendous forces required for victory can be built. For example, in both World Wars I and 11 the ultimate victors had the strength, in the end, to win though they had not had the strength in being or readily available to prevent the outbreak of war. In part, at least, this was because they had not had the military strength on which to base a strong foreign policy. At any rate, it is clear that a substantial and rapid building up of strength in the free world is necessary to support a firm policy intended to check and to roll back the Kremlin's drive for world domination.

Moreover, the United States and the other free countries do not now have the forces in being and readily available to defeat local Soviet moves with local action, but must accept reverses or make these local moves the occasion for war--for which we are not prepared. This situation makes for great uneasiness among our allies, particularly in Western Europe, for whom total war means, initially, Soviet occupation. Thus, unless our combined strength is rapidly increased, our allies will tend to become increasingly reluctant to support a firm foreign policy on our part and increasingly anxious to seek other solutions, even though they are aware that appeasement means defeat. An important advantage in adopting the fourth course of action lies in its psychological impact--the revival of confidence and hope in the future. It is recognized, of course, that any announcement of the recommended course of action could be exploited by the Soviet Union in its peace campaign and would have adverse psychological effects in certain parts of the free world until the necessary increase in strength has been achieved. Therefore, in any announcement of policy and in the character of the measures adopted, emphasis should be given to the essentially defensive character and care should be taken to minimize, so far as possible, unfavorable domestic and foreign reactions.

2. Political and economic aspects. The immediate objectives--to the achievement of which such a build-up of strength is a necessary though not a sufficient condition--are a renewed initiative in the cold war and a situation to which the Kremlin would find it expedient to accommodate itself, first by relaxing tensions and pressures and then by gradual withdrawal. The United States cannot alone provide the resources required for such a build-up of strength. The other free countries must carry their part of the burden, but their ability and determination to do it will depend on the action the United States takes to develop its own strength and on the adequacy of its foreign political and economic policies. Improvement in political and economic conditions in the free world, as has been emphasized above, is

necessary as a basis for building up the will and the means to resist and for dynamically affirming the integrity and vitality of our free and democratic way of life on which our ultimate victory depends.

At the same time, we should take dynamic steps to reduce the power and influence of the Kremlin inside the Soviet Union and other areas under its control. The objective would be the establishment of friendly regimes not under Kremlin domination. Such action is essential to engage the Kremlin's attention, keep it off balance, and force an increased expenditure of Soviet resources in counteraction. In other words, it would be the current Soviet cold war technique used against the Soviet Union.

A program for rapidly building up strength and improving political and economic conditions will place heavy demands on our courage and intelligence; it will be costly; it will be dangerous. But half-measures will be more costly and more dangerous, for they will be inadequate to prevent and may actually invite war. Budgetary considerations will need to be subordinated to the stark fact that our very independence as a nation may be at stake.

A comprehensive and decisive program to win the peace and frustrate the Kremlin design should be so designed that it can be sustained for as long as necessary to achieve our national objectives. It would probably involve:

1. The development of an adequate political and economic framework for the achievement of our long-range objectives.
2. A substantial increase in expenditures for military purposes adequate to meet the requirements for the tasks listed in Section D-1.
3. A substantial increase in military assistance programs, designed to foster cooperative efforts, which will adequately and efficiently meet the requirements of our allies for the tasks referred to in Section D-l-e.
4. Some increase in economic assistance programs and recognition of the need to continue these programs until their purposes have been accomplished.
5. A concerted attack on the problem of the United States balance of payments, along the lines already approved by the President.
6. Development of programs designed to build and maintain confidence among other peoples in our strength and resolution, and to wage overt psychological warfare calculated to encourage mass defections from Soviet allegiance and to frustrate the Kremlin design in other ways.
7. Intensification of affirmative and timely measures and operations by covert means in the fields of economic warfare and political and psychological warfare with a view to fomenting and supporting unrest and revolt in selected strategic satellite countries.
8. Development of internal security and civilian defense programs.
9. Improvement and intensification of intelligence activities.
10. Reduction of Federal expenditures for purposes other than defense and foreign assistance, if necessary by the deferment of certain desirable programs.
11. Increased taxes.

Essential as prerequisites to the success of this program would be (a) consultations with Congressional leaders designed to make the program the object of non-partisan legislative support, and (b) a presentation to the public of a full explanation of the facts and implications of present international trends.

The program will be costly, but it is relevant to recall the disproportion between the potential capabilities of the Soviet and non-Soviet worlds (cf. Chapters V and VI). The Soviet Union is currently devoting about 40 percent of available resources (gross national product plus reparations, equal in 1949 to about $65 billion) to military expenditures (14 percent) and to investment (26 percent), much of which is in war-supporting industries. In an emergency the

Soviet Union could increase the allocation of resources to these purposes to about 50 percent, or by one-fourth.

The United States is currently devoting about 22 percent of its gross national product ($255 billion in 1949) to military expenditures (6 percent), foreign assistance (2 percent), and investment (14 percent), little of which is in war-supporting industries. (As was pointed out in Chapter V, the "fighting value" obtained per dollar of expenditure by the Soviet Union considerably exceeds that obtained by the United States, primarily because of the extremely low military and civilian living standards in the Soviet Union.) In an emergency the United States could devote upward of 50 percent of its gross national product to these purposes (as it did during the last war), an increase of several times present expenditures for direct and indirect military purposes and foreign assistance.

From the point of view of the economy as a whole, the program might not result in a real decrease in the standard of living, for the economic effects of the program might be to increase the gross national product by more than the amount being absorbed for additional military and foreign assistance purposes. One of the most significant lessons of our World War 11 experience was that the American economy, when it operates at a level approaching full efficiency, can provide enormous resources for purposes other than civilian consumption while simultaneously providing a high standard of living. After allowing for price changes, personal consumption expenditures rose by about one-fifth between 1939 and 1944, even though the economy had in the meantime increased the amount of resources going into Government use by $60 $65 billion (in 1939 prices).

This comparison between the potentials of the Soviet Union and the United States also holds true for the Soviet world and the free world and is of fundamental importance in considering the courses of action open to the United States.

The comparison gives renewed emphasis to the fact that the problems faced by the free countries in their efforts to build a successfully functioning system lie not so much in the field of economics as in the field of politics. The building of such a system may require more rapid progress toward the closer association of the free countries in harmony with the concept of the United Nations. It is clear that our long-range objectives require a strengthened United Nations, or a successor organization, to which the world can look for the maintenance of peace and order in a system based on freedom and justice. It also seems clear that a unifying ideal of this kind might awaken and arouse the latent spiritual energies of free men everywhere and obtain their enthusiastic support for a positive program for peace going far beyond the frustration of the Kremlin design and opening vistas to the future that would outweigh short-run sacrifices.

The threat to the free world involved in the development of the Soviet Union's atomic and other capabilities will rise steadily and rather rapidly. For the time being, the United States possesses a marked atomic superiority over the Soviet Union which, together with the potential capabilities of the United States and other free countries in other forces and weapons, inhibits aggressive Soviet action. This provides an opportunity for the United States, in cooperation with other free countries, to launch a build-up of strength which will support a firm policy directed to the frustration of the Kremlin design. The immediate goal of our efforts to build a successfully functioning political and economic system in the free world backed by adequate military strength is to postpone and avert the disastrous situation which, in light of the Soviet Union's probable fission bomb capability and possible thermonuclear bomb capability, might arise in 1954 on a continuation of our present programs. By acting promptly and vigorously in such a way that this date is, so to speak, pushed into the future, we would permit time for the process of accommodation, withdrawal and frustration to produce the necessary changes in the Soviet system. Time is short, however, and the risks of war attendant upon a decision to build up strength will steadily increase the longer we defer it.