

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : DCI

DATE: November 9, 1959

FROM : R. W. Komer */*

SUBJECT:

NOV 1959

Per our conversation Saturday, here are the four O/RR charts which might be helpful in your Congressional appearance. The two which compare US and Soviet GNP by sectors illustrate what to me is the point of overriding importance--that despite the still great gap between overall US and Soviet GNP, this gap is highly misleading. While we produce a lot more consumer goods, in the things that really count (defense, gross investment, R & D, etc.) they have either caught up to us or are very close. Thus, despite their much smaller GNP the real threat to us is much greater than this would imply. If you use such charts, O/RR could bring them up to date.

Also attached is a memo I sent to you in August, which really makes the same point.

Please return charts to Komer -

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13 August 1959

MEMORANDUM FOR: DCI

SUBJECT : Who is Winning the Cold War?

1. Apropos the Draper Committee's query to you, no one can disagree with Adenauer's remark to Mr. McCloy, that it is impossible to keep a score card on such a nebulous and complex thing. Nonetheless, there are two broad aspects of this question on which some reasonably objective judgments can be made.

2. First, with respect to the ebb and flow of the East-West conflict along the line of demarcation between the two great power blocs, we have not done badly at all. As you pointed out, the Communists have actually taken very little territory they did not already occupy at end of World War II, <sup>or its immediate aftermath.</sup> They fumbled in Korea and Berlin, they gave up Eastern Austria, they can even be said to have largely lost Yugoslavia; indeed their only significant territorial gain in 1950-59 has really been North Vietnam. Even in terms of penetration and influence we need not give the Soviets too much credit. True, there has been increased Communist penetration in many areas; however, in such key countries as India, Indonesia and the UAR, not to mention Western Europe, this influence has if anything been receding in the recent past.

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3. But the above is by no means the whole story. If we look behind the skirmishing along the East-West perimeter, the story is quite different. My analogy, however imperfect, would be to the trench stalemate of World War II; here the Germans for 3½ years held their perimeter against penetration but, while stabilizing the front, could not reverse the much more rapid build-up of Entente power behind it, especially after the US entered the war. Though the cold war front as well may now be largely stabilized, we cannot *yes* ignore the relative buildup which is taking place behind.

4. On this score it is imperative to count in the balance not potential but actual strength. There is no question that if the US and Western Europe chose to do so they could mobilize the power necessary to decisively shift the balance against the Bloc. In fact, however, they are not doing so! Despite a much smaller power base, the Bloc is actually producing strengths comparable to ours. Though Soviet steel production is only about half ours and their capability even less, for example, they are probably devoting at least as much steel to cold and hot war purposes as the US. The same holds roughly true for industrial investment, military expenditures, education, and the crucial field of science and technology. We may still have more scientists and better ones, but in rocketry, for example, would anyone question that they are putting out at least as great an effort as we?

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5. If they are already really up to us in key respects, the comparative trend in allocations of resources is even more disturbing. For they have made perfectly clear that they will continue to devote a very high percentage of their much smaller GNP to missiles, science, basic industrial growth, and other ways of winning the East-West competition. Should they continue to do so, they may achieve a dangerous superiority in the categories that really count, even though their GNP remains much smaller and the curves never cross.

6. To counter this can we really depend on our ability, as in World Wars I and II, to mobilize our vastly greater potential? In a nuclear war post D-Day mobilization would be impossible. Even in cold war there is a major question of lead time. Despite the much greater flexibility of our economy, inherent not only in our system but in the fact that we have "excess" resources which can be diverted to cold or hot war purposes (while they are close to capacity already), could we quickly convert \$20 billion in automobile production to ballistic missiles? We may find ourselves in a position where even though we decide to convert we cannot do so in time.

7. What would this mean? Not so much that they would jump us militarily (I share the view that they are just as afraid that we, in growing desperation, might strike them—hence their growing interest in nuclear arms controls). But from a position of demonstrable power superiority (with missiles as the military backdrop), they could

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renew cold war pressures around the East-West periphery with greater prospects of success. Psychologically alone, the impact of such superiority, on us and our allies as well as the uncommitted could be disastrous over time.

8. Hence, while we have stabilized the cold war front, are we winning the cold war? If the underlying trends are not reversed, might not Khrushchev be correct in his overweening confidence that they will in time develop sufficient actual power superiority to push us to the wall?

R. W. KOER

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