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THE STRATEGIC IMPORTANCE OF THE FAR EAST TO THE US AND THE USSR

CIA HISTORICAL REVIEW PROGRAM RELEASE IN FULL

ORE 17-49

Published 4 May 1949

CENTRAL INTELLIGENCE AGENCY

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NOTICE TO HOLDERS OF CIA ESTIMATE ON ORE 17-49

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Holders of ORE 17-49 (The Strategic Importance of the Far East to the US and the USSR) are requested to insert the text below in the report. This text, submitted by the Intelligence Organization of the Department of State on 27 May, amends the coordination footnote on Page 3 of the report and therefore supersedes the memorandum of concurrence submitted by the Department of State on 29 April. It does not modify the CIA estimate itself nor the stated positions of the other agencies.

"The concurrence of the intelligence organization of the Department of State in ORE 17-49 (p.3) should be considered as limited to the section entitled 'Political Estimate for 1952' (pp.7-8).

"The intelligence organization of the Department of State dissents from the conclusion on the ultimate strategic importance of the Far East, as contained in paragraph (b) on page 18, and mentioned frequently throughout the paper.

"This dissent is based on the belief that the paper exaggerates the importance of the Far East, especially in considering it as potentially 'decisive.' Problems of USSR mobilization of the Far East for war are under-estimated, especially the dependence on and difficulties in maintaining the necessary sea transportation.

"US potential for interference (a) in a USSR-occupied Japan, (b) on the sea lanes, and (c) elsewhere, with USSR efforts to mobilize the Far East, appears to be under-estimated. The general conclusion of the paper that, under certain assumptions, the war potential of the US might be destroyed, is not considered proven. Nor is the derivative conclusion for US policy believed proven, namely, that to deny to the Soviets the consolidated control of the Far East it is necessary to maintain 'integrated US control of the offshore island chain extending from the Philippines to Japan.'"

CENTRAL INTELLIGENCE AGENCY
1 June 1949

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THE STRATEGIC IMPORTANCE OF THE FAR EAST TO THE US AND THE USSR

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GRAPHICS

NOTE: The graphic material appearing herein can be used validly only in conjunction with this study.

A correct interpretation of the political aspects of all graphics herein requires that the reader bear in mind the basic assumption that present trends in the Far East will continue up to an outbreak of hostilities by the end of 1952.

The graphic presentation of quantitative data is based on information available in late 1948. This material is designed to show broad comparisons of basic economic factors, rather than to serve as a statistical source. Thus, these charts show that Japan, with the greatest industrial capacity and reservoir of industrial manpower in the Far East, has the greatest food problem in the region. Note that military manpower data are based on estimates of World War II strength and do not reflect qualitative differences.

THE PROBLEM

To assess the strategic importance of the Far East to the US and the USSR in the event of hostilities between those powers by 31 December 1952.

SCOPE

For purposes of this study, the Far East is defined as Korea, China (including all border areas and Taiwan), Japan and the Ryukyus, the Philippines, Australia, New Zealand, Indochina, Siam, Malaya, Indonesia, Burma, India, Pakistan, Afghanistan and Ceylon.

ASSUMPTIONS

1. A war between the US and the USSR will break out some time between the present and 31 December 1952.

2. General trends now perceived in the Far East will continue.

3. Neither the US nor the USSR will basically alter its present policy towards the various areas of the Far East.

Note: ORE 17-49 has been prepared through the collaborative efforts of the intelligence organizations of the Departments of State, Army, Navy, and Air Force, and the Central Intelligence Agency. These agencies provided the basic data pertinent to the following aspects of the problem: political (State), military (Army, Navy, and Air Force), and economic (Central Intelligence Agency). Coordination with Departmental Specialists was subsequently undertaken on the intermediate phases of analysis and synthesis of the basic data. As published, the paper represents over-all conclusions drawn by the Central Intelligence Agency from analysis of the basic papers.

This estimate has been concurred in by the Intelligence Organization of the Department of State, the Intelligence Division, Department of the Army, and the Directorate of of Intelligence, Department of the Air Force.

The Office of Naval Intelligence dissents for the following reasons:

"*a.* Although the factual matter is in general accurate, its presentation contains obscurities, apparent contradictions and unwarranted presumptions regarding U. S. plans and policies, which are beyond the intelligence field. As a result, the reader is required to evolve his own analysis of the situation in order to reach a sound appraisal of the strategic importance of the Far East.

"*b.* This inchoate development is apparent in the SUMMARY, which furthermore does not include all the salient points of the detailed discussion. Therefore, it does not present a comprehensive abridgement."

Textual material is based on information available to CIA on 18 April 1949.

The supporting data for ORE 17-49 consist of basic material provided by the various IAC agencies, as indicated above, an area by area compilation of the factors of importance within the Far Eastern region, and a detailed regional examination of these factors. This is essentially study material of continuing value to national intelligence production on the Far East and is available in the Central Intelligence Agency for reference.

[p. 2 blank]


STRATEGIC LOCATION
OF FAR-EASTERN AREAS
11122
EQUATOR
EQUATOR
20
40
60
80
100
120
140
160
180
[redacted]
[redacted]

SUMMARY

In the event of war between the US and the USSR, the major objective of each power will be destruction of the other's war-making potential. The Far East, lying at great distances from the heart of both powers' war-making centers, while not seemingly of vital importance to either under continued circumstances of peace, will develop increasing strategic significance to both in the event of war. Upon the outbreak of hostilities prior to 1953, the region's significance cannot be of initial decisive importance: first, because of the distance consideration; second, because the Far East's considerable resources will not have been fully exploited, developed and integrated with the homeland war complex of either the US or the USSR; and third, because of prior stockpiling of essential raw materials primarily available in the Far East. However, should all the major components of the Far East's own self-contained war potential become controlled and exploited by either power, the region's strategic importance would become great. Indeed, under the conditions of a prolonged war, a USSR-controlled Far East might even prove decisive.

The USSR, in its drive for world domination, can be expected to continue its present attempts at expansion and consolidation in Eurasia by all means short of direct involvement of Soviet armed forces in an attempt to attain eventual decisive military superiority over the US in intercontinental warfare. Continued Soviet aggrandizement might precipitate open hostilities with the US before the USSR has achieved this decisive superiority, as would be the case if war occurred prior to 1953. There is grave danger that the USSR, with its vast territory and preponderant military manpower for employment in Eurasia, might well survive and successfully absorb an initial major US offensive against European USSR and thus achieve at least an intermediate stalemate. Under such conditions, and if the Soviet Union had established effective control over the Far East by occupation of key areas either in peacetime or in the war's early phases, the USSR would be in a position to exploit a self-sufficient Far Eastern war-making complex in addition to its own European industrial and military establishment. This combination could provide the USSR with the capability for decisive action in global war against the US.

In the event of war prior to 1953, it is probable that Australia, New Zealand, the Philippines, Ceylon, Japan and southern Korea would favor the US, although southern Korea's active contribution in the war would be restricted to guerrilla operations. Although Siam, India, Pakistan and Afghanistan would desire neutrality, they would choose, with varying degrees of hesitancy, to support the US in preference to the USSR. The position of China and its border areas (except Tibet, a few limited areas of the southwest and possibly Taiwan) will be pro-Soviet; northern Korea, as well, will support the USSR. Malaya, Indochina and Indonesia will remain areas of mixed orientation in which the conflict between European colonial control and Far Eastern nationalism might prevent their effective exploitation regardless of local preferences for either the

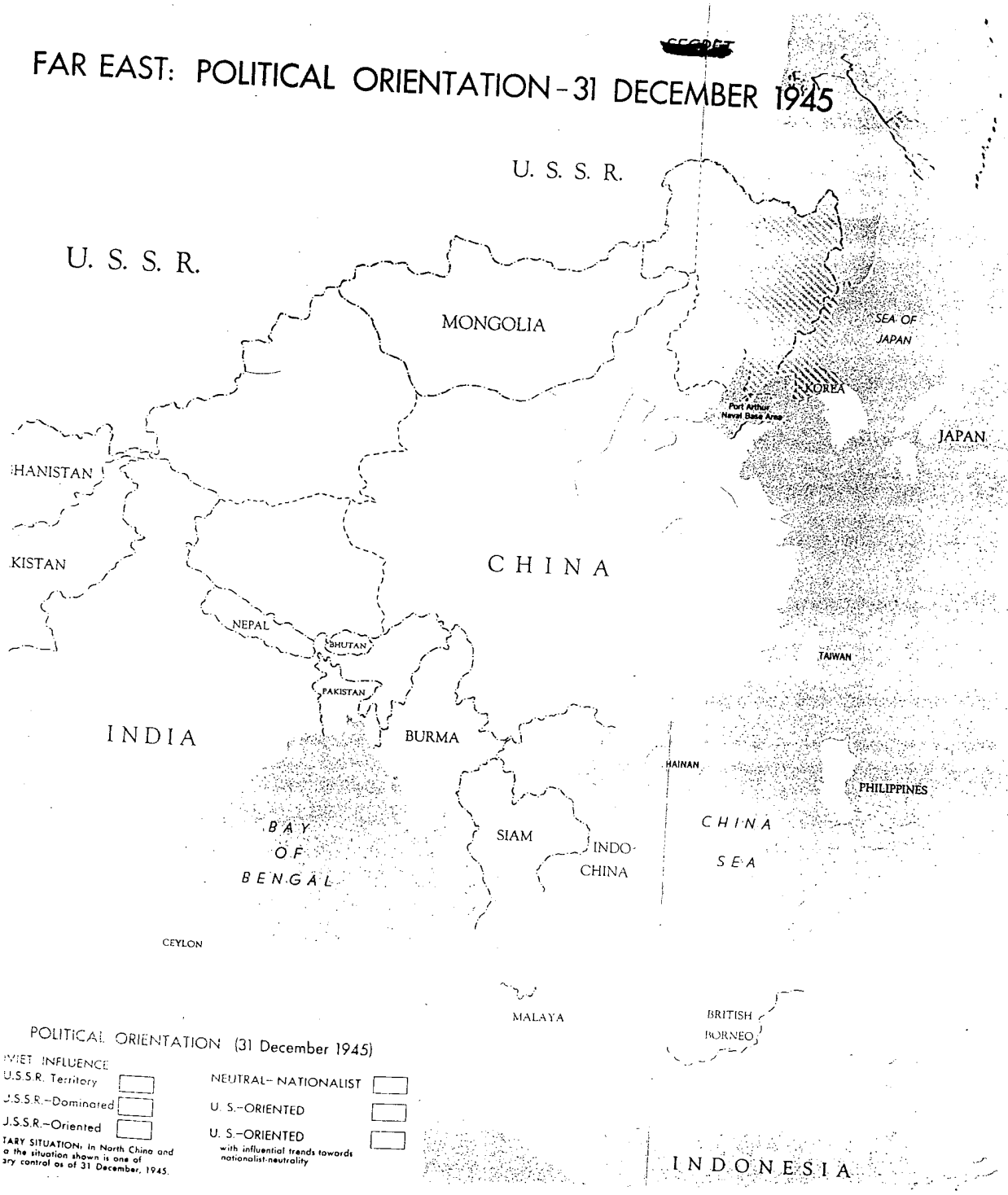
US or the USSR. Burma, too, will be an area of deep-seated unrest and doubtful exploitability.

Japan, because of its industrial potential, its large resources of trained military and industrial manpower and its strategic location, is the key to the development of a self-sufficient war-making complex in the Far East. This fact was amply demonstrated in World War II. Control of Japan's industrial machine would be more valuable to the USSR than to the US, however, not only because the USSR has more immediate need of the products of Japan's industry but also because the USSR will be in effective control of the area (chiefly northern China, Manchuria and Korea) whose natural resources Japanese industry can utilize most efficiently. For this reason, long-range US security interests dictate the denial of Japan's capacity, both economic and military, to USSR exploitation.

The present aggressive Soviet attitude in the Far East indicates that the USSR already appreciates that realization of the long-term decisive potential of the region will be enhanced by early elimination of the US from the region, especially if accomplished without resort to war. Maintenance of the present US position in the Far East denies Soviet hegemony over key areas of the region, particularly Japan. Loss of that position, for any reason, will greatly facilitate Soviet exploitation of a potentially decisive war factor and will correspondingly reduce the means for subsequent US counteraction. US ability to derive full strategic advantage from the region and to deny its ultimate exploitation by the USSR largely depends on measures to be taken in the period extending from the present. Expansion of Soviet influence in the Far East greatly beyond present limits at the expense of the US Far Eastern position in the prewar period politically, economically and militarily, would tend to render the remaining US position militarily untenable from the outset of hostilities. Once having lost its present minimum position in the region, the US might well lack the resources needed simultaneously to maintain a major war effort against the Soviet European war-making centers and to deny Soviet realization of the war potential of the Far East.

US strategic interests in the Far East, therefore, are immediate and continuing, even if limited to denying consolidated Soviet control of the region. Key to this denial is integrated US control of the offshore island chain extending from the Philippines to Japan.

FAR EAST: POLITICAL ORIENTATION - 31 DECEMBER 1945



POLITICAL ORIENTATION (31 December 1945)

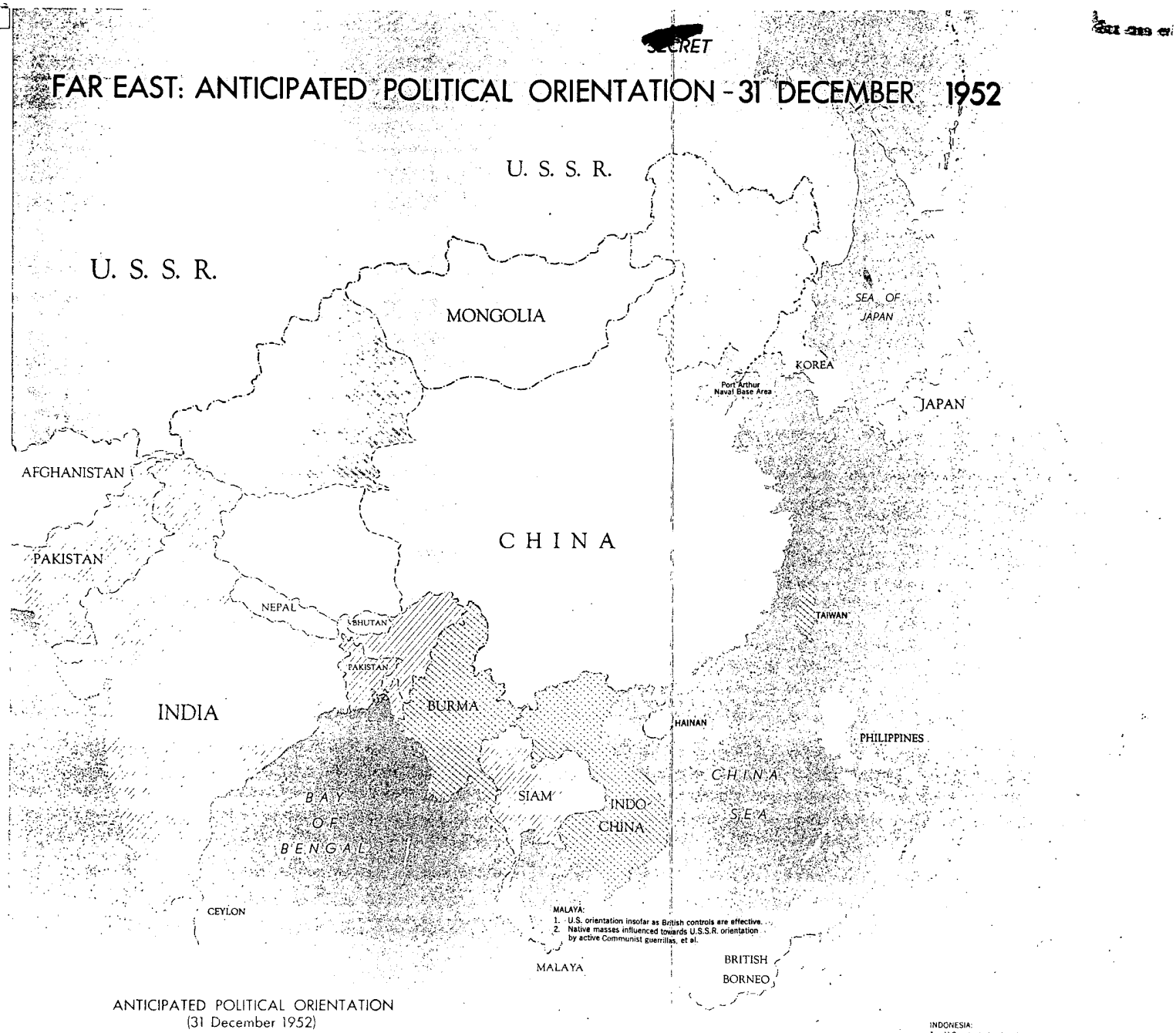
SOVIET INFLUENCE
- U.S.S.R. Territory
- U.S.S.R.-Dominated
- U.S.S.R.-Oriented

NEUTRAL-NATIONALIST
- U. S.-ORIENTED
- U. S.-ORIENTED with influential trends towards nationalist-neutrality

TARY SITUATION: In North China and
a the situation shown is one of
ary control as of 31 December, 1945.

[redacted]

FAR EAST: ANTICIPATED POLITICAL ORIENTATION - 31 DECEMBER 1952



ANTICIPATED POLITICAL ORIENTATION
(31 December 1952)

SOVIET INFLUENCE
- U.S.S.R. Territory
- U.S.S.R.–Dominated
- U.S.S.R.–Oriented
- U. S.–ORIENTED
- NEUTRAL–NATIONALIST
- ORIENTATION UNCERTAIN (Mixed influence)

NOTE: Influential trends towards nationalist-neutrality or at orientation towards the U. S. or U.S.S.R. are shown by appropriate diagonal tan bars or green or red lines.

11124 Map Branch, CIA, 2-49

[redacted]

THE STRATEGIC IMPORTANCE OF THE FAR EAST TO THE US AND THE USSR

DISCUSSION

Political Estimate for 1952

The following estimate of the Far Eastern political situation in 1952 is made primarily to permit assessment of: (a) probable orientation of specific areas towards either the US or the USSR, or towards neutrality; (b) potential availability to the US or the USSR of raw materials, industrial facilities, and manpower resulting from these political orientations; and (c) extent of probable effective exploitation by the US or the USSR of potentially available resources as limited by local political conditions.

In general it appears probable that up to 31 December 1952 or at the prior outbreak of hostilities:

(1) Areas oriented towards the US will be:

(a) Australia, New Zealand, the Philippines, Ceylon, Japan and southern Korea. The governments in these areas and the general populace in most of them would favor siding with the US in war. (In the case of southern Korea, however, pro-US efforts after the outbreak of hostilities probably would be limited to underground and guerrilla operations.)

(b) Siam, India, Pakistan and Afghanistan. In these areas, desire for neutrality may restrain the otherwise predominant choice of the US in preference to the USSR, with a resulting tendency towards indecisiveness and less efficiency in the event of their participation.

(2) Areas oriented towards the USSR will be northern Korea and China (except Tibet, limited areas of the southwest and possibly Taiwan).

(3) Areas of mixed orientation will be Burma, Indochina, Indonesia, and Malaya. (The latter three are colonial areas at present. Although the governments of France, the Netherlands and the United Kingdom, superimposed upon Far Eastern colonial areas and endeavoring to control them, may be expected to be oriented towards the US, the native populations of Indochina, Indonesia and Malaya will be nationalistic, will prefer neutrality, and will determine their orientation according to national self-interest. Inability of these colonial populations to achieve their aspirations for national identity through relations with the respective governments of France, the Netherlands, and the UK can result in their inclining to USSR-orientation. The political conflict between the European governments and their colonial areas could produce sufficient instability either to deny any appreciable advantage to the US resulting from the pro-US orientation of the European government or to permit access to the resources of these colonial areas only at an infeasible cost.)

Of areas expected to be available immediately to the US in the event of hostilities, political conditions probably will permit effective access by the US to the natural resources, industrial facilities and manpower of Japan, the Philippines, Ceylon, Australia and New Zealand. The same will hold true, in varying degrees, for Siam, India, Pakistan, and possibly Taiwan. Although the Republic of Korea probably will be US-oriented, it is not expected that Korea can make any appreciable contribution to the US, except possible military action by prewar trained guerrilla units.

The resources of Indochina, Indonesia and Malaya, however, may not be effectively available to the US unless political stability within these areas is obtained and can be maintained.

Of areas immediately available to the USSR, initial effective participation probably will be confined primarily to northern Korea and China. Continued instability in the colonial areas of Southeast Asia probably would not result in any positive contribution to the USSR despite the possible anti-US or pro-USSR inclination of certain native populations, induced by Soviet vocal championship of nationalism. Negatively, however, such unrest would be of very great value to the USSR, since local instability resulting from political conflicts would minimize the advantages to the US of access to the resources of Indochina, Indonesia and Malaya.

POLITICAL ESTIMATE OF THE FAR EAST

Up to 31 December 1953 or at prior outbreak of hostilities.

Basic assumptions:

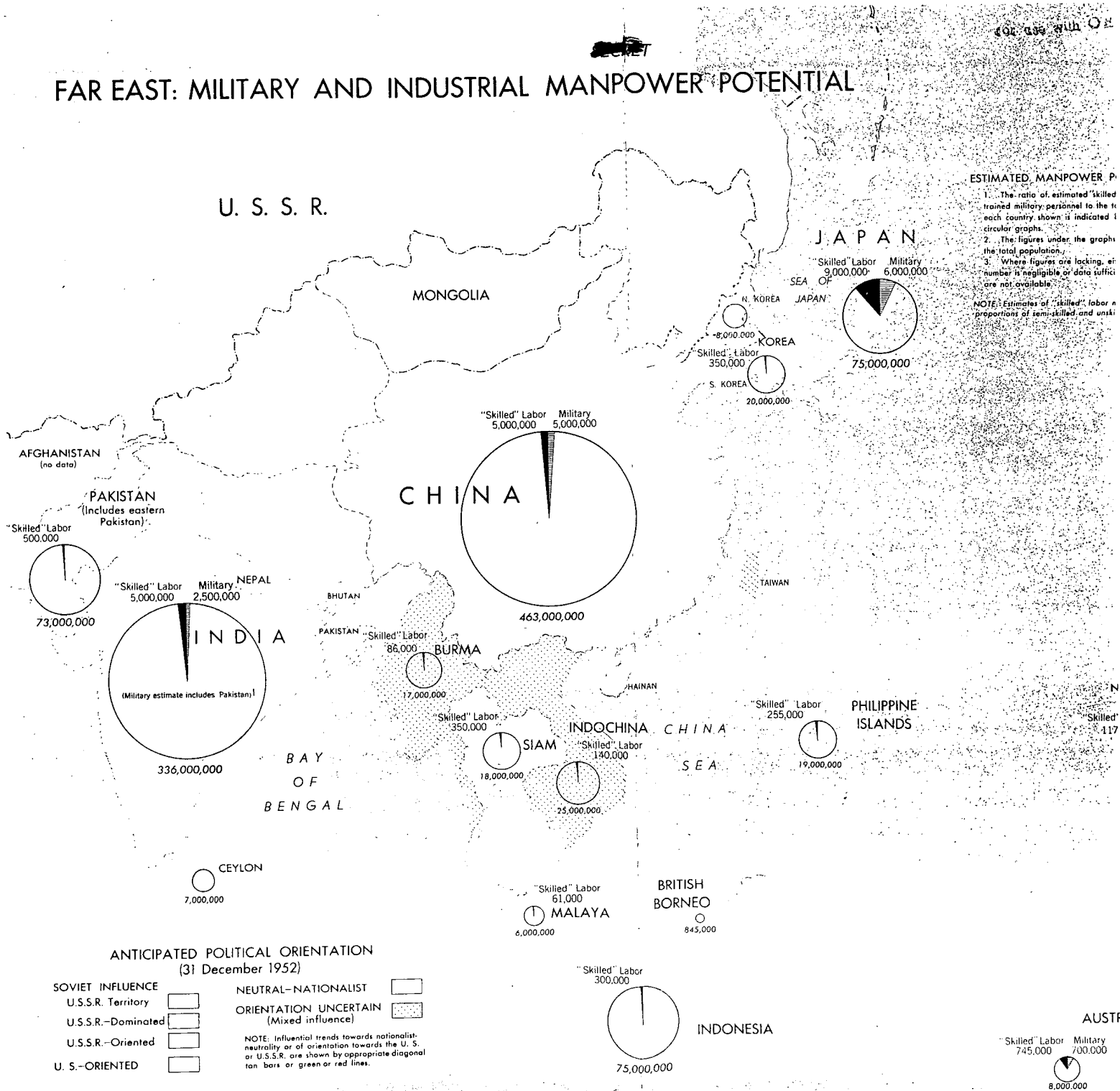
(a) presently foreseeable trends will continue.

(b) prior to outbreak of hostilities, the nature and intensity of forces now employed by the US and the USSR will not alter fundamentally, nor will either nation basically alter presently known policy towards areas of the Far East.

	JAPAN	SOUTHERN KOREA	NORTHERN KOREA	CHINA	PHILIPPINES	INDO-CHINA	SIAM	MALAYA	INDONESIA	BURMA	INDIA	PAKISTAN	AFGHANISTA
PROBABLE REGIME	Government controlled by conservative political parties under continued supervision of SCAP and US occupation support.	Republic of Korea, pseudo-socialistic; moderately conservative; oligarchic.	Communist dominated.	Communist or Communist dominated coalition over all of China (possibly except Taiwan and areas of southwestern China).	Present or similar regime with possibly stronger nationalistic characteristics.	French control limited — de facto control largely in hands of local nationalists.	Phibul or similar regime still in power.	British controlled federation.	United States of Indonesia with decreasing Dutch control.	Unpredictable. One or several ineffective leftist regimes resulting from partial or complete disintegration of the Union of Burma.	Present Indian National Congress Party with partial program of state socialism.	Present Moslem League leadership.	Present gove ment.
STABILITY	Fundamentally stable Failure to improve economic conditions, however, would make continued stability dependent on extensive external assistance.	Unstable Stability dependent on but not guaranteed by continued US aid because of: (1) Threat of invasion from northern Korea. (2) Communist underground in southern Korea. (3) Inefficiency in administration.	Reasonably stable Communist leadership well established - effective, organized opposition unlikely.	Moderately stable Probably capable of more stability than any predecessor government during the Republic. Faced with major political and economic problems.	Satisfactory Declining financial support from US and increasing agrarian unrest may result in economic difficulties.	Poor Conflict of French efforts to maintain control, and local efforts to achieve independence prevent stability.	Satisfactory Impaired by constant political crises.	Moderately stable British control firm but challenged by increasing demands of Malay, Chinese and Indian political and labor organizations for self-government and by Communist activity.	Unstable Conflict between Dutch efforts to maintain a maximum of economic and political control and local efforts to achieve real independence jeopardize stability.	Poor Political and ethnic factionalism will remain disturbing factor.	Moderately stable Subject to: (1) Threat of serious sabotage from Communists in event of major national emergency; (2) Popular unrest in case of famine or continued inflationary pressure.	Increasing stability Subject to: (1) Serious impairment in event of outright war with India. (2) Serious impairment in event of further mass migrations of Moslems from India. (3) Continued food sufficiency.	Moderately sta Stability un paired if present lic works prog proves effective unless rivalry tween governme factions develops
POLITICAL AND ADMINISTRATIVE EFFECTIVENESS	Good Capable of imposing and operating necessary wartime controls.	Poor Inefficient due to: (1) Inexperience (2) Corruption	Moderately effective Limited by inadequacy of experienced technical and administrative personnel and mediocre production ability of Koreans.	Moderately effective Communists can be expected to achieve an important degree of administrative effectiveness.	Fair Administrative weakness due to inexperience and corruption. Social unrest will continue to be present.	Poor Conflict of authority will minimize effectiveness.	Moderately effective Able to maintain present moderate degree of administrative efficiency.	Moderately effective British generally able to maintain internal order. Administrative effectiveness however, will be decreased by refractory elements.	Weak Conflict of interests, and native inexperience, will minimize effectiveness.	Very Weak Inexperience and internal dissension will limit effectiveness.	Improving efficiency Increased experience and maturity of leaders, stop-gap economic reforms, and consolidation of central authority will produce improved efficiency.	Good Handicapped by inexperienced personnel, instability of provincial governments, and separation of two areas of Pakistan.	Limited effective Handicapped by experience and tribal irresponsib
ATTITUDE TOWARDS US	Oriented toward US to point of offering bases and manpower for US military operations.	Friendly to US out of fear of USSR — accompanied by general anti-foreign sentiment.	Anti-US	Anti-US Primarily nationalist, with anti-US proclivity.	Oriented towards US but with diminishing support for complete subordination to US.	French colonial elements and many local groups would probably favor US.	Desire neutrality, but probably will maintain US proclivity. Siam's ability to offer positive contribution to any US war effort probably limited to surplus rice needed in other areas.	British elements pro-US, but local population would favor neutrality and some will be anti-US.	Dutch-US-oriented; Indonesians — prefer neutrality but US-oriented to degree of US support for nationalist aspirations.	Suspicious of US. Desire neutrality. Choose side with upper hand.	Favorably disposed towards the US despite pressure from elements anxious to maintain a position of neutrality and from elements hostile to the West.	Disillusionment towards the West resulting from what it believes to be preferred treatment to India. Pakistan will be less disposed than India to favor the US position by a positive stand prior to the outbreak of hostilities.	Favoring neutr
ATTITUDE TOWARDS USSR	Anti-Soviet and anti-Communist.	Fearful of USSR	Completely subordinate to USSR.	Pro-USSR Primarily nationalist with pro-USSR proclivity.	Anti-Soviet	Local population would desire neutrality. Some important local leaders would be sympathetic towards USSR.	Generally anti-Soviet.	Generally anti-Soviet Except for small active Communist minority.	Generally anti-Soviet with a few local leaders announcing sympathy for the USSR. Trend toward USSR-orientation as nationalism's aspirations are frustrated.	Susceptible to Soviet propaganda. USSR's claim to be a champion of colonial peoples has wide acceptance.	Desires amicable relations with Soviets, but is worried about Communist gains in eastern Asia. No economic or security interest inclines India toward USSR.	Anti-Soviet	Anti-Soviet

[redacted]

FAR EAST: MILITARY AND INDUSTRIAL MANPOWER POTENTIAL



ANTICIPATED POLITICAL ORIENTATION
(31 December 1952)

SOVIET INFLUENCE
- U.S.S.R. Territory
- U.S.S.R.-Dominated
- U.S.S.R.-Oriented
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- ORIENTATION UNCERTAIN (Mixed influence)

NOTE: Influential trends towards nationalist-neutrality or of orientation towards the U. S. or U.S.S.R. are shown by appropriate diagonal tan bars or green or red lines.

[redacted]

11127 Map Branch, CIA, 2-49

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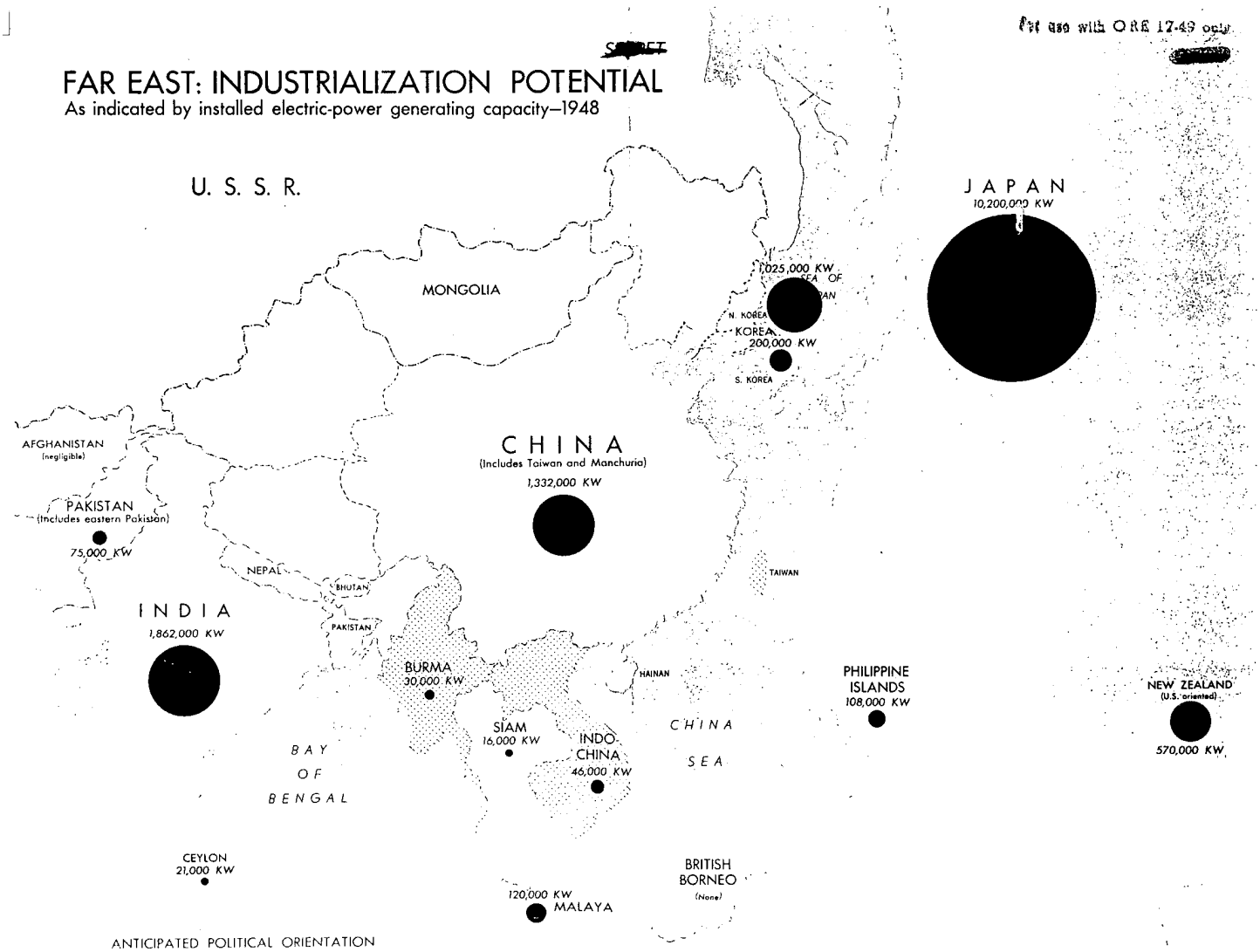
FAR EAST: INDUSTRIALIZATION POTENTIAL

As indicated by installed electric-power generating capacity—1948



ANTICIPATED POLITICAL ORIENTATION
(31 December 1952)

SOVIET INFLUENCE
- USSR Territory
- USSR Dominated
- USSR Oriented
- U S-ORIENTED

NEUTRAL-NATIONALIST

ORIENTATION UNCERTAIN
(Mixed influence)

NOTE: Influential trends towards nationalist neutrality or of orientation towards the U S or U S S R are shown by appropriate diagonal tan bars or green or red lines.

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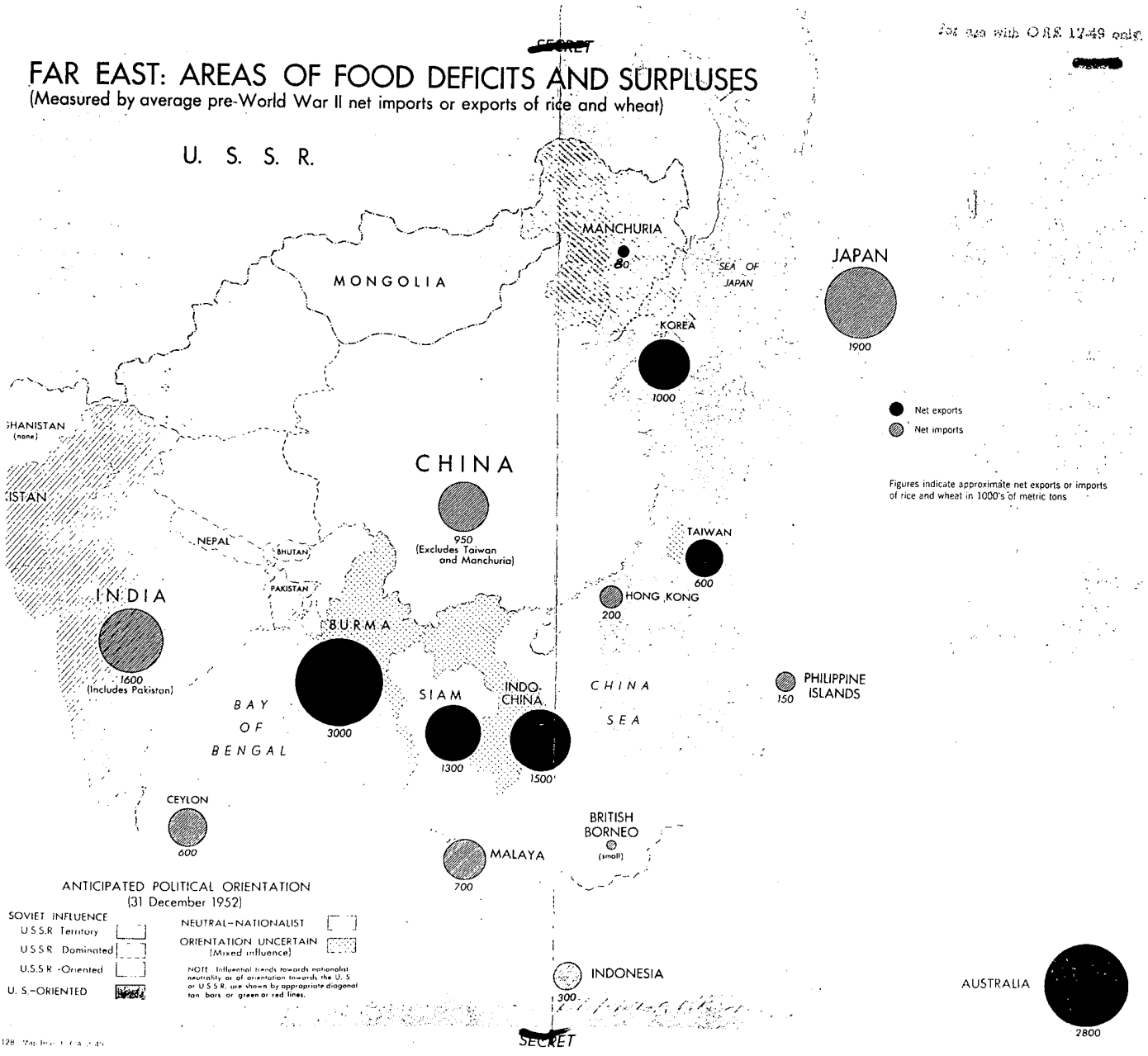
FAR EAST: AREAS OF FOOD DEFICITS AND SURPLUSES

(Measured by average pre-World War II net imports or exports of rice and wheat)



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Denial of Far Eastern resources to the US or the USSR would not seriously jeopardize either power's war-making capacity in the early stages of the conflict. Both the US and the USSR are, in fact, now less dependent on the strategic materials of the Far East for the operation of their civilian and military economies than they were before World War II. During and following that war, alternative and less distant sources of some materials have been developed, and substitutes or synthetics have been devised. Stockpiling programs have been instituted for those materials not readily available elsewhere and for which no satisfactory or practicable substitutes exist.

There are, however, some economic objectives in the Far East which, as the war was prolonged, would assume increasing importance to the US and the USSR and which would influence strategic planning for the region. These objectives could be threefold: first, to build a potent self-sufficient war-making complex in the Far East; failing that, to assure access to those strategic materials necessary for full-scale functioning of the domestic war economy; and in any event to deny both the components of a self-sufficient war economy and key strategic materials to the enemy.

Self-Sufficient Far Eastern War Economy.

That the Far East possesses the potential for a self-sufficient war economy was amply illustrated by the Japanese in World War II. If either the US or the USSR consolidated its control over those areas needed to make up such an economy, realization of the region's potential could be decisive in a prolonged war. At the outbreak of hostilities, the US, through its control of Japan, would hold the key area in any such regional economic system. The USSR, with Korea and China added to its own Far Eastern holdings, would possess much of the most important remaining area. It is pertinent to note, however, that while the US could establish a limited, albeit costly, Asiatic war economy without access to Korea and China, the USSR would be unable to establish any large-scale war economy in the Far East without access to Japan.

Japan now is and will probably long continue to be the most important industrial country in the Far East. Despite war damage, postwar deterioration and uncertainty with respect to Allied reparations policy, Japan possesses a greater industrial capacity, in terms of existing plant and reservoir of trained industrial manpower, than all other countries in the region combined.

The value of Japan as the industrial center of a potent war economy, however, would depend largely on the extent to which other areas in the region could furnish those raw materials needed by Japan's industry. Without an adequate and assured supply of food, coking coal, iron ore, steel alloying minerals, tin, natural rubber, and petroleum, Japan would be an economic liability rather than an asset to any controlling power.

If the US were to exploit the Japanese war potential fully, it would be necessary to supply Japan, over long lines of communications, with many materials which the US itself must obtain from the Far East—tin, steel-alloying minerals, rubber, fibres, and

vegetable oils. In addition, the US would need to supply Japan with petroleum, as well as iron ore and coking coal. Sufficient petroleum could be obtained from Indonesia to meet Japan's probable industrial requirements. Similarly, enough iron ore is available in India, Malaya and the Philippines. However, the problem of supplying Japan's coking coal requirements without access to North China would be extremely serious: India's coking coal supply is limited and probably would be completely absorbed by a wartime expansion of Indian industry. The modest quantities of anthracite available in Indochina could not be depended on in the event of hostilities.

The difficulties and cost of making Japan the center of a Far Eastern war-making complex, and the fact that Japan's industry—measured in terms of realizable steel production—is only 5 percent of US, probably would make denial of the Japan complex to the USSR, rather than full exploitation of Japanese industry as an auxiliary to US war production, the dominant US strategic consideration.

Japan's industrial plant would be of much greater positive value to the USSR than to the US; it would, in fact, be for the Soviet Union the richest economic prize in the Far East. In the first place, Japan's factories could make a relatively greater contribution to the industrial output of the USSR than they could to the US, Japanese steel capacity being approximately 20 percent of USSR and the satellite countries combined. Second, the USSR would have access to China and northern Korea, an area that could furnish Japan with iron ore, coking coal, tungsten, manganese, agricultural products—virtually everything needed for large-scale industrial development except petroleum, tin, and rubber. Thus not only could the USSR more easily provide the necessary raw materials to Japanese industry than could the US, but control over Japan's industries would also increase the economic value of the rest of Northeast Asia to the USSR. Control of Japanese industry, therefore, would provide the USSR with the most important segment of a self-sufficient Far Eastern war economy.

Access to Strategic Materials.

The earlier war breaks out, the less time will have been available for stockpiling and technological development and therefore the greater the dependence of both the US and the USSR on the Far East. In any event, however, neither the US nor the USSR would be dependent on the Far East for strategic materials during at least the first year of war. A prolongation of hostilities, however, would dissipate the stockpiles of each and thus increase the need for key Far Eastern materials. The availability of tin, manganese, and possibly natural rubber would be of prime importance to the US, tin being the most important. Access to tin, tungsten, and natural rubber would be prime Soviet considerations. In addition, each power would rely on Far Eastern sources of petroleum, not for direct contributions to its own war economy, but as a means of reducing the necessity of supplying Far Eastern military or industrial operations over long lines of communication. A brief discussion of each of the key materials and its relation to the US and USSR follows.

Tin.

The bulk of the world's supply of tin is produced in the Far East, principally in Malaya and Indonesia, but also in China, Siam, and Burma. Since tin is essential

for both naval and land warfare, substitution for it is difficult, and conservation is of limited scope, access to sources of supply is extremely important to both the US and the USSR.

Should all Far Eastern sources of tin be cut off, peak US war requirements could be met only in part through stockpiles, secondary domestic sources and imports from Bolivia, Nigeria and the Belgian Congo. Denial of access to major Far Eastern sources of tin would have serious implications for the US war economy when accumulated stockpiles were dissipated.

The USSR depends heavily on Far Eastern tin, since domestic production and alternative sources are seriously below Soviet requirements. The problem of meeting heavy requirements would directly affect Soviet economic warfare in the Far East and might even influence USSR military decisions with respect to South China and Southeast Asia.

Ferro-Alloys.

South China is the world's most important single source of tungsten. Burma, Korea, and Siam produce modest quantities.

Tungsten deposits discovered in the US during the last war, exploitation of deposits in Mexico and South America, and stockpiles built up since VJ-day have decreased US dependence on Far Eastern sources. In addition, molybdenum, an acceptable substitute for tungsten in some steel alloying processes, is both domestically available to the US in sufficient quantities and can be obtained in adequate amounts from such dependable foreign sources as Canada.

The USSR depends considerably on the tungsten of China and Korea. Production in the USSR is insignificant, and all other sources of tungsten might be denied to the USSR in the event of war. Moreover, the USSR is critically short of molybdenum, and can rely on only the modest output of Finland and China. The production of some steel alloys in the USSR is dependent, therefore, on access to Chinese and Korean tungsten.

The USSR, with the world's largest reserves of manganese, and India normally represent the major sources of US manganese supply. Although production in Latin America and Africa is increasing, for the next several years at least, US access to Indian manganese will continue to be an important security consideration.

Rubber.

Malaya and Indonesia produce almost three-fourths of the world's supply of natural rubber. Some rubber is also produced in Ceylon, Siam, Indochina, Burma, and India.

Both the US and the USSR have developed synthetic rubber industries and processes for reclaiming rubber. In addition, both powers are systematically stockpiling natural rubber. In the early stages of a war, the US would require access to sources of natural rubber until its synthetic rubber production capacity was adequate to meet peak wartime requirements. Although a longer war would permit the development of additional synthetic capacity, stockpiles would be depleted and some new supplies of natural rubber would be required for special military purposes. If war

should break out before late 1952, the date at which maximum US stockpile objectives are to be achieved, the dependence of the US on Far Eastern sources of supply would be increased.

Soviet dependence on natural rubber probably would be greater than that of the US in the case of either a short or a prolonged war because: (1) initial stockpiles would be smaller; and (2) existing synthetic capacity would not only be less, but the USSR would need more time to build additional capacity and to perfect synthetic processes.

Petroleum.

Indonesia, including all of Borneo, is the principal petroleum producer in the Far East. Its 1948 production—approximately 49 million barrels—was about 1 percent of world production. While neither the US nor the USSR relies on the petroleum of the Far East for domestic requirements, oil is one of the most important strategic materials in the region because of the long lines of communication from other petroleum producing areas to the Far East. Access to Indonesian oil would be a major factor in both powers' strategic planning, particularly that of the USSR, since large-scale, sustained military operations in the Far East by either the US or the USSR could be more economically conducted if oil requirements could be obtained close at hand.

Food.

The Far East is a net food deficit region. Local food surpluses of the Far East, except for those of Australia, New Zealand, and Manchuria, largely remain in the region. Thus, regional food production would appear to be of limited direct significance to the US, but of considerable significance to the USSR. Manchuria at present furnishes soybeans and some grain to the Soviet Far East and this supply may become an important factor in USSR Far East strategy particularly if food from Western Siberia or the European USSR were cut off. Moreover, the availability of strategic materials from Malaya, Indonesia, India, and South China, as well as the exploitation of Japanese industry, would depend to a great extent on control over the disposition of the rice surpluses of Burma and Siam, the two leading producers for export purposes.

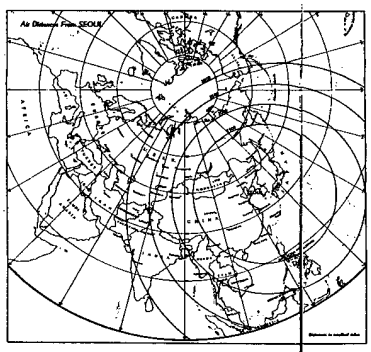
Denial of Far Eastern Resources to Enemy.

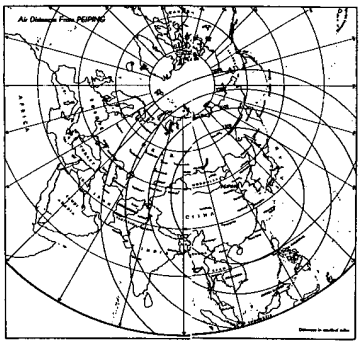
Since tin, rubber, and petroleum are of direct importance to the war economies of both the US and the USSR, it would be an important strategic objective for each major belligerent to deny these materials to the other. In addition, the US, whose needs for tungsten are much less acute than those of the USSR, would attempt to deny sources of tungsten to the Soviet Union. The USSR, in turn, would attempt to deny manganese to the US.

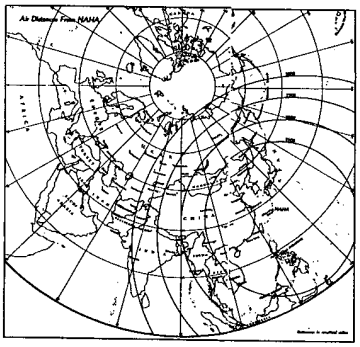
US denial of Japan's industrial plant to the USSR would be a most important strategic factor in the event of Far Eastern hostilities, but it could of course be expected that the USSR would apply the strongest pressures to deny Chinese coking coal to US-controlled Japanese industry.

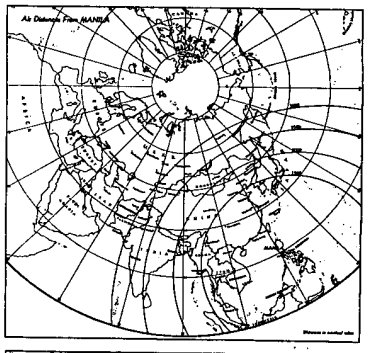
COMPARISON OF AIR-LINE DISTANCES FROM SELECTED FAR-EASTERN POINTS

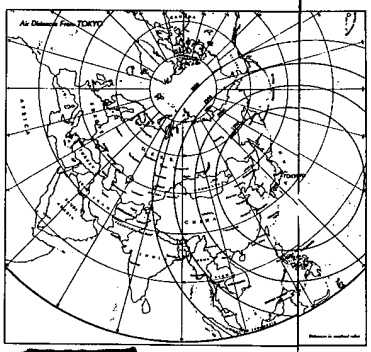
11129

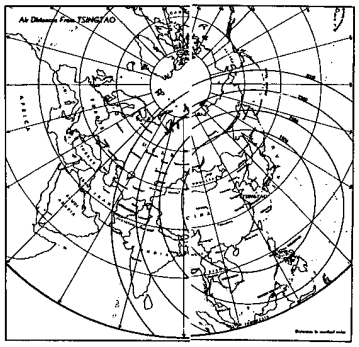


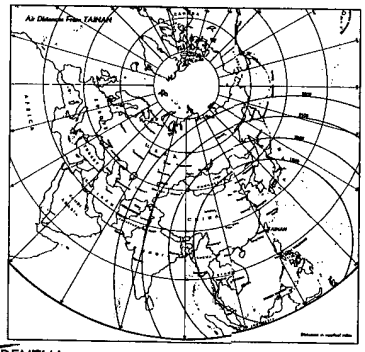


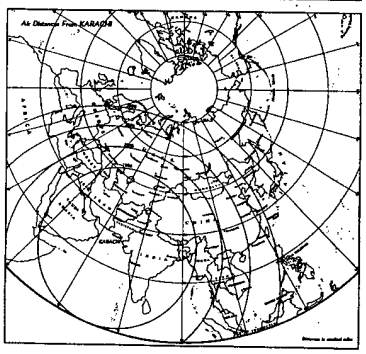












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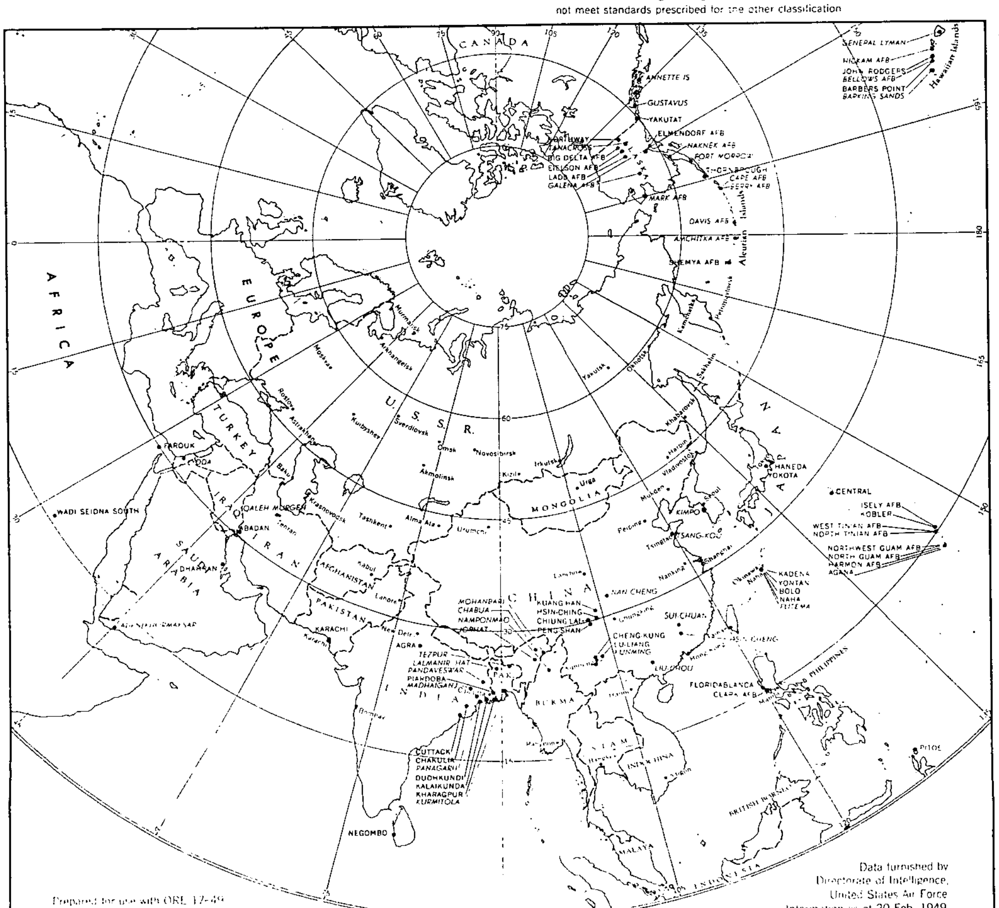
FAR EAST AND ADJACENT AREAS: AIRFIELDS CAPABLE OF SUPPORTING B-29 OPERATIONS

(Active, inactive or caretaker status)

KOBLER Name of airfield with runways 7,000 feet or more and currently capable of sustained operations by aircraft weighing 120,000 pounds or more.

NAMAO Name of airfield from which B-29's have operated or airfields that are known to be capable of supporting aircraft with gross weight of 120,000 pounds or more but due to length, designed bearing capacity, and/or present conditions do not meet standards prescribed for the other classification



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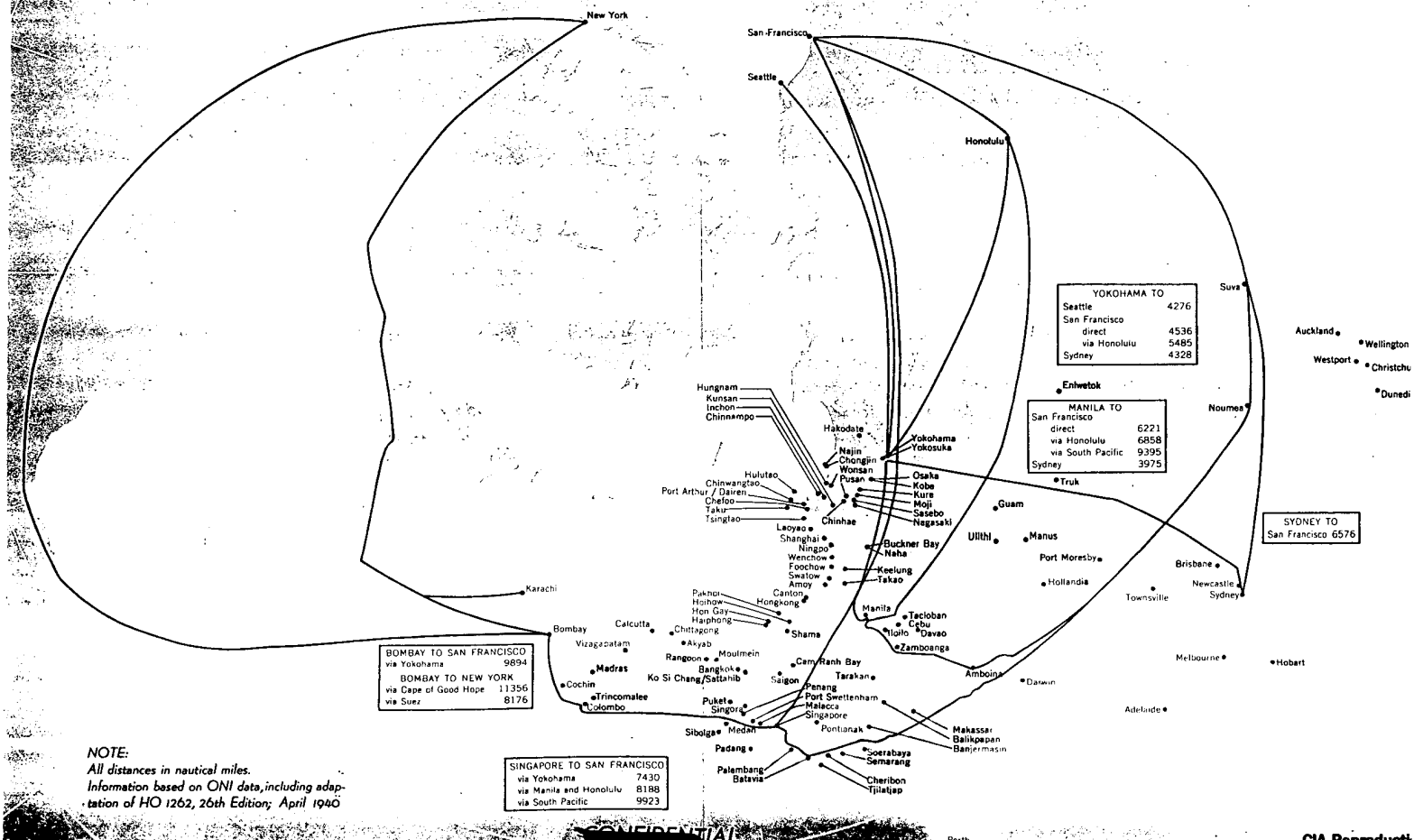
PORTS OF THE FAR EAST AND SHIPPING TRACKS

(Comparison of sea lane distances from selected Far East ports to supporting areas over various routes)



YOKOHAMA TO	
Seattle	4276
San Francisco	
direct	4536
via Honolulu	5485
Sydney	4328

MANILA TO	
San Francisco	
direct	6221
via Honolulu	6858
via South Pacific	9395
Sydney	3975

SYDNEY TO	
San Francisco	6576

BOMBAY TO SAN FRANCISCO	
via Yokohama	9894
BOMBAY TO NEW YORK	
via Cape of Good Hope	11356
via Suez	8176

SINGAPORE TO SAN FRANCISCO	
via Yokohama	7430
via Manila and Honolulu	8188
via South Pacific	9923

NOTE:
All distances in nautical miles.
Information based on ONI data, including adaptation of HO 1262, 26th Edition; April 1940

STRATEGIC ESTIMATE

In the event of war between the US and the USSR the decisive strategic objective of each power will be the destruction of the other's means to wage war. At the outset of hostilities prior to 1953, and indeed from the present, the decisive strategic importance of the Far East to either the US or the USSR derives from long term considerations of strategic potential in the region rather than from factors of direct military advantage or limitation in the first year or two of war. Although the potential strategic significance is of immediate and continuing concern, the readily apparent strategic significance of the region will emerge and grow only as hostilities are prolonged.

Despite general similarities in the significance of the Far East to the US and the USSR, the strategic interests of the two powers are neither identical nor directly converse. Accordingly, the following discussions treat separately the strategic importance of the Far East to the US and to the USSR.

1. STRATEGIC IMPORTANCE TO THE US.

a. Considerations in the Initial Military Phase.

(1) *Limitations.*

(a) *Offensive.*

The Far East will not be a decisive region in terms of US military operations against vital Soviet war centers at the outset of hostilities because such decisive objectives will be located deep in the USSR and can be reached from existing Far Eastern bases of the US only by long range air action. Such action would be indecisive in weight because of the distances involved. Moreover, under the basic assumption that present trends will continue, no indigenous Far Eastern forces in being at the outset of hostilities can contribute to the US strategic offensive. Finally, denial of Far Eastern raw materials to the USSR will not have a decisive effect in the first year or two of hostilities because of prior Soviet stockpiling.

(b) *Defensive.*

The US strategic defensive, which in the last analysis is concerned with the protection of the basic US war-making capacity, will have no direct, immediate concern in the Far East at the outbreak of hostilities. By 1953, US stockpiling of strategic materials should result in independence of Far Eastern sources for one or two years. In this period, moreover, the basic US war potential, located in the continental US, will be protected from attack mounted in the Far East by extensive land and ocean expanses. It is estimated moreover that the USSR will continue to lack the means for conducting decisive intercontinental military operations for some time after 1953.

(2) *Advantages.*

(a) *Offensive.*

While indecisive in the early phases of hostilities, the areas of the Far East not initially under Soviet control can contribute, nonetheless, to US offensive

capabilities in the early phase of hostilities. Existing US bases in Japan and the Ryukyus, as well as potential bases in western Pakistan and India, are within air range of important objectives in the USSR—the Karachi area being particularly significant from the standpoint of target proximity. There exist additional potential air-base areas as well as bases for other operations of limited objective in support of the main US strategic effort. The Far East also provides important ocean communication links which facilitate free global movement around the Soviet perimeter, a requisite to US strategic flexibility.

(b) *Defensive.*

Those areas of the Far East estimated to be available to the US at the outset of hostilities (see Political Estimate, p. 7) provide positions astride or flanking probable routes of USSR advance or expansion—the most important area in this regard being Japan. The Far East, moreover, would be a region for the containment of significant Soviet forces remote from the main objectives of the initial US strategic offensive against European USSR. Finally, the manpower of the region would constitute a potential source of large forces.

(3) *Difficulties of Exploitation.*

The varied difficulties facing US exploitation of the strategically favorable factors initially available in the Far East cannot be overlooked.

(a) *Aid Requirements.*

Economically and militarily, the areas of the Far East available to the US are dependent on outside assistance. The Far East is a net food deficit region, a factor which is aggravated in particular areas of normal food shortages, such as Japan, by the present dislocation of normal trade patterns. Maintenance of a political atmosphere favorable to the US in areas of strategic importance is dependent on substantial economic assistance. Moreover, these areas lack adequate means of defense against invasion by a major power. Militarily, the Far Eastern areas initially available to the US would depend on the US for varying degrees of assistance in materiel, training, and even constituted forces for protection against Soviet aggression.

(b) *Communications Requirements.*

The US position in the Far East is dependent on long ocean lines of communication. Not only is this a disadvantage in itself, but it also imposes an added requirement for security. Unless consolidated control over the offshore island chain extending from Japan through the Philippines is secured and maintained, the US will be severely limited in its means for effectively combatting the considerable Soviet capability for anti-shipping operations in the Pacific. Thus, the components of the island chain are mutually dependent for the security of their supporting lines of communication from the US as well as for defense against direct attack.

(c) *Manpower and Base Requirements.*

Protection of the US position in the Far East exclusively with US forces would probably exceed the capacity of US manpower resources. The alternative is development of indigenous forces. In general, however, the effective military development of Far Eastern manpower requires a greater expenditure of time and resources

than does Western manpower. Even potentially, the principal initial contribution to US strategy to be made by Asiatic forces would be in terms of ground forces for the defense of their respective areas.

The most effective potential forces are those of the Western-populated Commonwealth areas, Australia and New Zealand, but both these countries have definite manpower limitations. Among the Asiatic nations, the armed force potential of Japan is the most significant but utilization of this potential is presently confronted by political objections. While the manpower potential of India and Pakistan is numerically adequate to prevent Soviet invasion of the Indian subcontinent, the neutral inclinations of these two nations and the limited availability of trained leaders and materiel renders uncertain the timely provision of defensive forces adequate to insure security of the subcontinent. Political factors also render uncertain the availability of potential Far Eastern base areas for prewar development by the US. Development of forces and bases under war conditions would constitute an added burden and might well be ineffective.

(d) *The Factor of Initiative.*

The final difficulty to be encountered in the exploitation of the Far East by the US is closely related to the problem of timely provision of potential forces and bases. Possessing the initiative in opening hostilities, the USSR may be able to mount surprise attacks in such force as to overcome limitations on its offensive capabilities and thus overrun areas for which the defenses otherwise might be adequate. This consideration applies particularly to Japan, Taiwan, and northwestern Pakistan. Effective US counteraction following such a development would require a major war effort. Despite the factors of disadvantage presented above, failure to solve these difficulties and to accept the consequent political, economic, and military costs will deprive the US of the increasing strategic advantage to be derived in the Far East and may subject the US to an ultimately decisive threat from the USSR.

b. Developing Significance.

As war may be prolonged beyond the first year or two of hostilities and initial strategic stockpiles of one or both major belligerents may become depleted, the Far East will become a region of increasing significance to US strategy. The factors of importance in the initial military phase discussed under paragraph 1*a*(2) above will continue to be of supplemental significance to the main theater of war, and, as the center of Soviet war production is moved farther eastward, may acquire growing direct significance. However, in this intermediate phase of hostilities, the principal developing importance of military factors in the Far East will derive from their bearing, in conjunction with the political factors, on continued US access to the essential raw materials of Southeast Asia and India and on the denial of those materials to the USSR. A consolidated and strengthened US position in the Asiatic offshore island chain extending from Japan to the Philippines would be a material factor in securing the most favorable US ocean routes to Southeast Asia and to India also, since availability of the Suez route would appear doubtful. In addition, US development and exploitation in that island chain would serve to deny Soviet access to the southern

regions of eastern Asia. Conversely, US loss of control in that island chain would facilitate Soviet southward expansion.

As previously noted, US loss of its position in the offshore island chain is not simply a matter of yielding or foregoing one independent base at a time. Loss of position at the northern end of the arc would threaten the communication lines supporting positions farther to the south, even though those positions might be held in considerable strength. It would therefore be important to peak operation of the US war economy after the first year or two of war and to reduction of Soviet war output in this intermediate period that the US possess a consolidated position in the Far East's offshore island chain.

c. *Ultimate Strategic Importance.*

Of greatest US strategic concern in the Far East is the realization by the USSR of that region's potential for development into a self-sufficient war-making complex. In the event of a prolonged and indecisive US offensive against the Soviet European war center, the Far East under consolidated Soviet control might well develop ultimately as a decisive factor of war. Not only does the region contain all essential elements of a self-sufficient war economy, but its tremendous manpower resources include a pool of some 6,000,000 militarily trained, albeit demobilized, Japanese. The Japanese prisoners of war now being retained by the USSR include large numbers of former Japanese officers and technicians. In the event of Soviet control of Japan, such key personnel could contribute to rapid Soviet exploitation of Japan's military and economic potential.

Further, the geographic location of Japan suits it for ultimate Soviet exploitation in a major offensive effort against the continental US. Soviet possession of two major independent war bases, one in Europe and one in the Far East, coupled with probable Soviet advances in materiel and technology that can be anticipated over a period of years, could pose a critical threat to the continental US war potential and hence to US survival as a world power.

d. *Conclusion.*

While the full strategic significance of the Far East to the US is deferred and will materialize only in a protracted war, US ability to derive full strategic advantage from the region and to deny its ultimate exploitation by the USSR depends at a minimum on maintenance of the present US strategic position in the region. Expansion of Soviet influence in the Far East greatly beyond present limits into areas of present US control would tend to render the remaining US position militarily untenable. Once having lost its present minimum position in the region, the US might well lack the resources needed simultaneously to maintain a major war effort against the Soviet European war-making centers and to deny Soviet development of the war potential of the Far East.

2. STRATEGIC IMPORTANCE TO THE USSR.

a. Considerations in the Initial and Intermediate Military Phases.

(1) *Limitations.*

(a) *Offensive.*

At the outset of hostilities, the Far East could not contribute significantly to Soviet efforts to destroy the basic US war potential because

(i) the US would be temporarily independent of Far Eastern resources;

(ii) the US war potential would be located primarily in the continental US;

(iii) the USSR at this stage would lack the military resources needed to conduct a decisive intercontinental war; and

(iv) so long as Soviet forces in the Far East were dependent on a combination of stockpiling and access to the Soviet European war production complex over the Trans-Siberian railroad, grave risks would be involved in mounting an intercontinental offensive from Soviet Far Eastern bases.

(b) *Defensive.*

The Far East's contribution to Soviet defensive strategy in this period would be for the most part passive. No indigenous Far Eastern forces would be capable of threatening the USSR with offensive action at the outset of hostilities, and, in any case, the basic Soviet war potential, located in central and western areas of the USSR, would be protected from Far East-based attack by extensive expanses of formidable terrain which could not be feasibly surmounted except by US air action at long range. For these reasons, the Far East at the outset of hostilities would not be an immediately decisive strategic region from either the offensive or defensive point of view.

(2) *Factors of Immediate and Developing Importance.*

(a) *Offensive.*

Both in the prewar period and in the early stages of hostilities, the USSR nevertheless woud have important strategic objectives in the Far East. Offensively, Soviet expansion in the Far East could provide;

(i) Security of established USSR Far Eastern bases;

(ii) Access to important sources of strategic materials and their denial to the US;

(iii) The potential for a self-sufficient Far Eastern war economy;

(iv) Additional sources of military manpower, including the trained manpower of Japan which could be exploited effectively by use of former Japanese officers and technicians presently held in the USSR; and

(v) Bases and routes of access to the continental US notably in northeastern Asia and the North Pacific.

Taken in total and with requisite exploitation, the attainment of these objectives ultimately would make a decisive contribution to the Soviet strategic offensive.

(b) *Defensive.*

Defensive intermediate objectives in the Far East could be attained by confinement of US Far Eastern positions to the peripheral areas initially available and by preventing, through political or military action, successful US exploitation of those peripheral areas. By these measures, the USSR can:

(i) Maintain or expand its defensive buffer on the south and east;

(ii) Limit the flexibility of the US strategic air offensive;

(iii) Tie down substantial US military resources in the Far East and, as the result of harassing attacks against the North American continent, contain additional significant US military resources in the continental US; and

(iv) Provide increased potential forces for the defense of the USSR.

(3) *Ease of Exploitation.*

The USSR's intermediate strategic objectives in the Far East may be attained at moderate cost because of the fundamental nature of the Soviet national objective and Soviet singleness of purpose and lack of scruple in pursuing that objective. Added to these Soviet policy considerations, which reduce the cost of attaining strategic objectives, are factors of military advantage. The USSR already possesses predominant forces for offensive action within the Eurasian land mass. Moreover, initial military dispositions can be made under optimum conditions, and transport limitations are being overcome through prior stockpiling, industrial development, and relocation. Finally, the very nature of the Soviet national objective provides the USSR with the advantage of surprise in initiating hostilities. All these considerations tend to limit the military costs involved in Soviet attainment and exploitation of its intermediate strategic objectives in the Far East, thus enhancing the attractiveness of that region to the USSR.

b. Ultimate Strategic Importance.

Having attained its short-term objectives in the Far East, the USSR would have under its control all elements of a powerful war-making complex. Development of that complex could proceed unmolested, except by US counteraction which would have to be carried on over long distances and at great military cost. Rather than draining the Soviet war potential, the Far East would add progressively to the total Soviet means for resisting the US main effort. In this light, the Far East, even in the early stages of conflict, could be an important factor in the USSR's ability to absorb and survive a US offensive against the existing Soviet European war potential. Were that offensive successfully absorbed, the Far East subsequently could provide a self-sufficient war base from which a sustained Soviet attack might be mounted, in conjunction with an offensive based in Europe, for the destruction of the continental US war potential and the consequent elimination of the US as a world power.

c. Conclusion.

Current Soviet expansionist activity in the Far East viewed in conjunction with the factors of strategic significance presented herein indicates that the USSR already recognizes the long term decisive importance of the region to the Soviet national objective of world domination.

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