

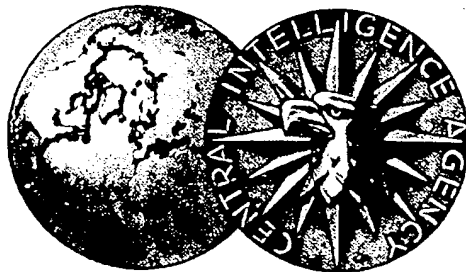
~~TOP SECRET~~

COPY NO.
FOR THE ASSISTANT DIRECTOR
FOR REPORTS AND ESTIMATES

~~CONFIDENTIAL~~

EFFECTS OF A U.S. FOREIGN MILITARY AID PROGRAM

CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL



ORE 41-49
Published 24 February 1949

~~DOCUMENT NO. _____
NO CHANGE IN CLASS. _____
X DECLASSIFIED _____
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE _____
AUTH: HR 765 _____
DATE: 7/16/81 REVISOR: 029804~~

Document No. 001
NO CHANGE in Class.
 DECLASSIFIED
Class. CHANGED TO: TS S C
DDA Memo: 4 Apr 77
Auth: DDA REG 77/1763
Date: 24/01/78 By: 021

VOID ©

CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~

~~CONFIDENTIAL~~

WARNING

This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C. 31 and 32, as amended. Its transmission or revelation of its contents in any manner to an unauthorized person is prohibited by law.

~~TOP SECRET~~

~~CONFIDENTIAL~~

DISSEMINATION NOTICE

1. This copy of this publication is for the information and use of the recipient designated on the front cover and of individuals under the jurisdiction of the recipient's office who require the information for the performance of their official duties. Further dissemination elsewhere in the department to other offices which require the information for the performance of official duties may be authorized by the following:

- a. Special Assistant to the Secretary of State for Research and Intelligence, for the Department of State
- b. Director of Intelligence, GS, USA, for the Department of the Army
- c. Chief, Naval Intelligence, for the Department of the Navy
- d. Director of Intelligence, USAF, for the Department of the Air Force
- e. Director of Security and Intelligence, AEC, for the Atomic Energy Commission
- f. Deputy Director for Intelligence, Joint Staff, for the Joint Staff
- g. Assistant Director for Collection and Dissemination, CIA, for any other Department or Agency

2. This copy may be either retained or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Collection and Dissemination, CIA.

DISTRIBUTION:

Office of the President
National Security Council
National Security Resources Board
Department of State
Office of Secretary of Defense
Department of the Army
Department of the Navy
Department of the Air Force
State-Army-Navy-Air Force Coordinating Committee
Joint Chiefs of Staff
Atomic Energy Commission
Research and Development Board

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~CONFIDENTIAL~~
~~TOP SECRET~~

EFFECTS OF A U.S. FOREIGN MILITARY AID PROGRAM

THE PROBLEM

1. For the purposes of this problem it is assumed that:
 - a. A North Atlantic Pact providing for a system of collective security embracing the United States, Canada, and the Brussels Pact Powers, and perhaps also Norway, Denmark, Iceland, Ireland, Portugal, and Italy, will be consummated during 1949.
 - b. During FY 1950 limited US military aid will be provided to the European signatories of the Pact, and also to Austria, Greece, Turkey, Iran, Korea, and the Philippines, the amount and type of aid being governed, in each case, by limitations upon available US resources and the absorptive capacity of the recipient.
 - c. The foreign military aid program thus initiated could not be expected to create, in Western Europe, sufficient military strength to oppose and delay materially a Soviet military invasion until sometime during the period 1952-1955.
 - d. The ECA program will continue without serious interference by the rearmament program.
2. By direction, we estimate herein:
 - a. The effect of the US foreign military aid program assumed above on:
 - (1) The will of the recipients to resist aggression by the USSR or its satellites.
 - (2) The ability of the recipients to maintain their internal security and political integrity.
 - (3) The intentions and future action of the USSR.
 - b. Conversely, the effect of a US failure to provide such aid during FY 1950.

DISCUSSION

3. General considerations affecting the psychological response of the recipients to the assumed military aid program are discussed in Appendix "A," the effect on particular recipients in Appendix "B," and the probable Soviet reaction in Appendix "C."

CONCLUSIONS

4. The US military aid program and, more importantly, the Atlantic Pact, will encourage resistance to Soviet aggression insofar as they are recognized as a basis of hope for the eventual achievement of real peace and security. Inasmuch as they

Note: This report has been concurred in by the intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force. It is based on information available to CIA on 10 February 1949.

~~TOP SECRET~~~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~TOP SECRET~~

afford no immediate assurance of security, this effect will be in some degree offset by widespread popular apprehension that they involve grave risk of unnecessary involvement in a war between the United States and the USSR. In any case, the will to resist is unlikely to outrun the visible means of resistance.

5. In general, the prospective recipients of US military aid are less interested in the amount of direct aid to themselves than in the over-all strength of the combination achieved through the rearmament of its principal members and particularly in assurance of prompt and effective US military intervention in their defense if need be.

6. If, however, US military aid were to be withheld, this default would be regarded as a breach of faith and would tend to undermine confidence in any assurances of US support explicit or implicit in the Pact. This disillusionment would affect adversely the will to resist Soviet aggression.

7. US military aid is essential to the maintenance of internal security and political integrity in Austria, Greece, and Korea. Elsewhere it is not essential for that purpose, although it would be of appreciable benefit in France, Italy, and Iran.

8. The Pact and military aid program will neither convince the USSR of the futility of its present tactics nor provoke preventive war. The immediate Soviet reaction will probably be an intensification of Soviet and Communist effort in forms currently familiar with the purpose of preventing the accomplishment of their intended effect.

~~CONFIDENTIAL~~

~~TOP SECRET~~

APPENDIX "A"

GENERAL CONSIDERATIONS

1. The effect of the assumed military assistance program would be primarily psychological. By the terms of the assumptions the material effect would not be appreciable except with respect to internal security in some countries. Inasmuch as the program itself would not guarantee the security of the recipient states, the psychological effect would depend on whether it and the Atlantic Pact were regarded as an essential step toward the achievement of peace and security or merely as preparation for a new war.
2. None of the assumed recipients of US military aid would willingly submit to Soviet domination and all realize that their existing individual and collective weakness invites Soviet political, and possibly military, aggression. On this account, all would have reason to welcome US aid in rearmament and, more importantly, the assurance of active US military support explicit and implicit in a collective security pact. In thoughtful opinion it would be realized that, while the Pact and program afforded no immediate guarantee against invasion and hostile occupation, they would constitute an essential first step toward the development of an effective system of collective defense which might deter Soviet aggression and that only by this means was there any apparent hope for the ultimate achievement of peace and security.
3. It would also be realized, however, that this first step could not be taken without incurring Soviet displeasure and the risk of involvement in war, especially in the interim before hopes and promises could be transformed into actual strength. Most of the countries concerned have had bitter experience of war and hostile occupation. The result is a popular dread of involvement in war. This sense of insecurity cannot be overcome by paper plans for future security or implicit promises of eventual liberation if war and hostile occupation should come first. This psychological obstacle inhibits response to anything less than a convincing guarantee of immediate security.
4. One consequence of this psychosis is a disposition to "let George do it." A state such as Denmark or Iceland, helpless in any case, can avoid the risks of participation in a scheme of collective security and still receive its fundamental benefits insofar as the participation of others serves to stabilize the general situation. In Greece it can be felt that the struggle is essentially between the United States and the USSR, with Greece a bystander caught in the crossfire. In general application this idea provides an excuse for apathy in the supposition that the United States, the only possessor of real power in the non-Communist world, should bear the responsibility for curbing the USSR and the attendant risks.
5. Even where governments, more farsighted in this matter, accept responsibility to contribute to the common cause, they will do so with a high sense of having accepted grave risks. In consequence they will not regard US military aid as a gratuity, but

~~TOP SECRET~~

rather as well deserved quid pro quo. If the aid received should fall short of their expectations, there would be not only disappointment, but a tendency to doubt the validity of their reliance on US support and to consider whether Sweden had not chosen the better course.

6. France, in particular, has peculiar psychological reasons, derived from a sense of former power and present helplessness, for demanding special consideration and deference and the reassurance of the actual possession of renewed military strength. But most of the European recipients are small states long accustomed to depending for security on the protection of greater powers or committed in principle to hope for the eventual achievement of an effective system of collective security. These states are less interested in direct military aid to themselves (given some token amount) than in the over-all strength of the combination achieved through the rearmament of its principal members. In particular, they would probably derive more reassurance from the existence of US military strength capable of prompt intervention in Europe than from military aid to themselves. They would be reassured by the existence of such strength, not merely in the expectation of its intervention in their defense if need be, but in the hope that its existence would prevent the need for its intervention from arising.

~~TOP SECRET~~

APPENDIX "B"

EFFECTS ON PARTICULAR RECIPIENTS

1. THE UNITED KINGDOM.

A British determination to resist Soviet aggression already exists, but British thought on this subject assumes the support of the United States as well as that of the Commonwealth. British ability to resist is dependent on US support: in particular, British resources cannot be further diverted to rearmament without prejudice to economic recovery. Moreover, the United Kingdom is concerned to promote the defensive organization and rearmament of Western Europe as a means of enhancing British security. For these reasons the United Kingdom, whatever its independent determination to resist, would be greatly encouraged by the consummation of an Atlantic Pact and the initiation of a US foreign military aid program, not only because of direct benefits, but also because of the general strengthening of Western Europe and above all because of implicit as well as explicit assurances of continuing US support.

Conversely, US failure to adopt a foreign military assistance program, for whatever reason, would have a discouraging effect on the United Kingdom and might lead to a reconsideration of British policy.

The maintenance of British internal security and political integrity is not in doubt.

2. FRANCE.

The consummation of an Atlantic Pact and the receipt of US military aid would encourage French resistance to Soviet aggression. The will to resist, however, would not outrun the visible means of resistance. The French would oppose political pressure, but would not accept serious risk of war while incapable of preventing the invasion of France, whatever the assurance of eventual liberation.

The French armed forces are presently capable of suppressing a Communist insurrection, but only after considerable damage had been done. To the extent that US military aid made possible the prompter accomplishment of this task it would reduce the damage and perhaps prevent resort to violence. Accordingly the receipt of such aid would tend to render the government's attitude more firm, to relieve popular apprehension, and to stimulate economic recovery.

If US military aid were to be withheld or were to fall short of expectations, the French would be disappointed and discouraged, and would become correspondingly reluctant to antagonize the USSR. The French would still resist actual attack on Western Union countries, but in these circumstances their resistance would be affected by low morale as well as material shortages.

3. BENELUX.

These states are already disposed to resist Soviet aggression, but must depend on the support of greater powers. Insofar as the Atlantic Pact and US military aid pro-

~~TOP SECRET~~

gram gave promise of an eventually effective system of collective security, they would be encouraged.

The internal security and political integrity of these countries is not seriously threatened. As in France, US military aid would serve to render the situation more secure, with beneficial effects.

These states are as much interested in US military aid to Great Britain and France as they are in direct aid to themselves. If such aid were to be withheld, they would be deeply discouraged, but would still tend to follow the British lead.

4. NORWAY.

Norway is disposed to resist Soviet aggression in any case. Insofar as the Atlantic Pact and military aid program gave assurance of prompt and effective support, this disposition would be encouraged. Norway would be reluctant, however, to risk provoking the USSR without greater assurance in these respects than is apparent in the assumptions.

US military aid is not required for the maintenance of Norwegian internal security and political integrity, although such aid would, of course, render the situation more secure.

Norway would be little influenced by a denial of US aid as a consequence of its own failure to adhere to the Atlantic Pact, but would be greatly discouraged by a denial of aid to the actual signatories. If, having signed the Pact at the risk of provoking the USSR, Norway were denied appreciable aid, the political repercussions within that country would be severe.

5. DENMARK.

Denmark's will to resist Soviet aggression is qualified by a sense of the futility of armed resistance in the event of war. The Pact and program would encourage Denmark to the extent that they served to stabilize the situation, but would not be likely to alter the Danish appreciation of the prospects for a successful defense of Denmark in the event of attack.

US military aid is not required for the maintenance of Danish internal security and military integrity. The Danes, however, expect it in return for their complaisance respecting Greenland, regardless of their position with respect to the Atlantic Pact. They would be greatly discouraged by denial of aid to the major signatories of the Atlantic Pact.

6. ICELAND.

Iceland's will to resist Soviet aggression is irrelevant in the total absence of any capability of doing so. The existence of an Atlantic Pact with Scandinavian participation, however, would facilitate Icelandic cooperation with respect to US determination to resist Soviet aggression against Iceland.

Iceland has no effective security forces. There is no serious internal threat to Icelandic security and political integrity, but the country is vulnerable to a clandestine

~~TOP SECRET~~

expedition. Some military aid might improve this situation, but not greatly in the absence of effective organization for utilizing it. Denial of aid would not alter the status quo.

7. IRELAND.

The Irish will to resist Soviet aggression is beyond question and requires no encouragement. The Irish position would be rendered more secure by the Pact and program, with or without Irish participation. No US military aid is required for the maintenance of Irish internal security and political integrity. Denial of such aid to Ireland would be without appreciable effect. Denial of aid to the major signatories of the Atlantic Pact, however, would give Ireland reason for some concern.

8. PORTUGAL.

The Portuguese will to resist Soviet aggression and ability to maintain internal security are not dependent on US military aid, but would be strengthened by it. Denial of aid would not materially affect the situation in these respects.

9. ITALY.

The will of the Italian people to resist Soviet aggression is compromised by their fear of involvement in another war, particularly in the absence of effective means of self-defense. The Pact and program would encourage Italian resistance to Soviet political pressure and Communist subversion, but the Italians would remain unlikely to fight with a will in any war unless rearmed, convincingly assured of prompt and decisive US support, and directly attacked.

As in France (para. 2), the Italian armed forces are capable of suppressing a Communist insurrection, but only after severe damage had been done. To the extent that US military aid enhanced their capabilities in this respect, its results would be beneficial.

Denial of US military aid to Italy or to the major signatories of the Atlantic Pact would be extremely discouraging to non-Communist Italians and would influence them toward adopting a noncommittal attitude.

10. AUSTRIA.

Austrian will to resist Soviet aggression is meaningless in the absence of effective means. Even for the maintenance of internal security and political integrity Austria is dependent on the presence of Western occupation forces or on sufficient US military aid to permit the establishment of an effective security force. Denial of aid in one form or the other would probably result in the eventual Soviet domination of Austria despite the anti-Communism of the Austrian people.

11. GREECE.

The Greeks are now resisting a form of Soviet aggression. Their morale is adversely affected by the absence of decisive results, but, with US support as at present, their

~~TOP SECRET~~

resistance may be expected to continue. Any reduction of US aid might have disastrous effect. Some increase may be required to maintain the status quo.

12. TURKEY.

The Turkish will to resist Soviet aggression and ability to maintain internal security are not dependent on US military aid, but have been strengthened by it. The implications of the Atlantic Pact and the development of a systematic program of military aid would afford further encouragement to the Turks provided they were assured that there would be no consequent diminution of US support for Turkey. Conversely, a reduction or denial of US aid would be discouraging in effect. If the entire aid program were rejected, or if essential aid were denied to Greece and Iran, so that Turkey became isolated, that country might be compelled eventually to submit to some form of accommodation with the USSR.

13. IRAN.

The will of Iran to resist Soviet aggression is more dependent on confidence in US political and military support than on the receipt of any specific amount of military aid. Such aid would strengthen Iran's ability to maintain internal security and tend to reassure Iran with respect to a continuation of US support in the broader sense. Conversely, denial of aid would have adverse effect in both respects and, insofar as it undermined Iranian confidence in US support, might cause Iran to hedge in its relations with the United States and the USSR.

14. KOREA.

US military aid is essential to the maintenance of internal security and political integrity in South Korea and the will to resist North Korean invasion or infiltration. More than this is not to be expected. Denial of such aid would probably result in eventual Soviet control of all Korea.

15. THE PHILIPPINES.

The Philippines depend on the United States for protection from Soviet aggression. Some further military aid would facilitate the maintenance of internal security. Such aid is expected, and its denial would have unfavorable political repercussions.

~~TOP SECRET~~

APPENDIX "C"

SOVIET REACTION TO THE ASSUMED PROGRAM

1. The members of the Politburo ("the Kremlin") are at once the directors of an international revolutionary movement and the rulers of the USSR. Their ultimate objective is a Communist world order under their own domination. To achieve this goal they can employ with equal facility the apparatus of international Communism or the power of the Soviet state, whichever is better suited to the need of the moment, each with the implicit support of the other.
2. In Stalinist doctrine, the function of militant Communism is to hasten a dissolution of capitalist society expected, with "scientific" certitude, as the inevitable consequence of that society's inherent contradictions, and the role of the USSR is to provide, during the interim, a secure base and powerful support for international Communism. In this concept the Kremlin's primary instrument of aggression is the international Communist movement, to which the war-making power of the Soviet state is essentially auxiliary.
3. The Kremlin, however, pursues its ends in a world in which power politics is the prevailing mode of international relations. It expects capitalistic states to resort to war rather than submit to subversion or dissolution. Consequently, in its conduct of political and subversive operations, the Kremlin must keep constantly in view the strategic position of the USSR in relation to a constant possibility of armed attack and must view the conduct of non-Communist states in the same light.
4. It is estimated that, in present circumstances, the Kremlin is content to pursue its ends by normal Communist techniques and is unlikely to resort to open military aggression. It has at present no compelling reason to resort to war. It has reason to avoid war in the still vastly superior war-making potential of the non-Communist world and in exclusive US possession of the atomic bomb. The consideration most likely to cause the Kremlin deliberately to resort to war would be conviction that an attack on the USSR was actually in preparation and impossible to prevent by other means. The problem is whether consummation of an Atlantic Pact and adoption of a related US foreign military aid program on the scale envisaged would convince the Kremlin of the futility of its present tactics, leading to a detente in international relations, or convince the Kremlin that an attack on the USSR was actually in preparation, leading to a preventive war on Soviet initiative, or confirm the Kremlin's adherence to its present policy and cause an intensification of its current efforts.
5. In the eyes of the Kremlin the Pact and program would appear to confirm the validity of Communist doctrine regarding the conduct to be expected of a capitalistic society in its imperialistic stage. The military aid program would be taken, like ERP,

~~TOP SECRET~~

to reflect the imperative necessity of such a society (the United States) to sustain its economy through exports. Regardless of the defensive terms employed, the Pact and program together would be interpreted as essentially hostile toward the USSR.

6. The Kremlin would seriously consider whether the Pact and program constituted specific preparation for eventual attack on the USSR. If their implementation were to include such specific actions as, for example, the construction of heavy bomber bases in Norway, the Kremlin might conceivably consider its apprehensions confirmed and deem it vital to prevent such developments, by force if they could not be prevented by other means. If, however, no more definite threat developed, the Kremlin would probably regard the danger as still potential rather than immediate in view of the time and effort required to make the Atlantic Powers capable of a decisive attack on the Soviet Union, and the possibilities for counteraction during the interval. Soviet counteraction on the basis of this appreciation would be political, psychological, and subversive in character. If (in Communist reckoning) this policy served only to delay, rather than to prevent, inevitable conflict, the delay would be advantageous in permitting the further development of Soviet power and the further undermining of that of the enemy. Except as attack may appear imminent and unavoidable, the Kremlin has no reason to abandon a strategy successful hitherto, and conceived to be scientifically certain of ultimate success, to accept the doubtful arbitrament of war.

7. The consummation of an Atlantic Pact and adoption of a US foreign military aid program, then, will neither convince the USSR of the futility of its present tactics nor provoke it to immediate preventive war. The immediate effect will be an intensification of Communist effort in forms already familiar with the purpose of nullifying and defeating the Pact and program. These efforts would include:

a. Intensification of the "peace offensive" with a view to exploiting the universal desire for peace and confusing Western opinion by identifying the USSR as a "peace-loving" nation and the United States as an "imperialistic warmonger." This effort would also seek to undermine support for the program in the United States and to curtail appropriations.

b. Direct attack on the Pact intended to persuade European participants that it was a device of US imperialism designed to impair their national sovereignty and to involve them in a new war for US benefit.

c. Pressure on peripheral states (e.g., Norway, Italy, Iran) to prevent their adherence to the Pact or acceptance of US aid. (The pressure might involve risk of war if the USSR were to miscalculate Western determination to resist.)

d. Propaganda intended to arouse mutual jealousy and distrust among the participants, especially with reference to the apportionment of military aid under the program.

e. Further consolidation of Soviet control in Eastern Europe, including the possible announcement of a corresponding defense pact.

~~TOP SECRET~~

8. If these efforts failed to prevent the successful implementation of the Pact and program, the Kremlin would still not be obliged either to abandon its basic purposes or to resort to preventive war. It could still continue its efforts to obstruct and retard Western European stabilization and recovery. Whenever convinced that these tactics had become unprofitable, it could seek a detente in Europe on terms intended to facilitate the long-term development of Soviet strength. Accustomed to the idea of an ebb and flow in the tide of revolutionary opportunity, the Kremlin would regard such a stabilization of the European situation as merely temporary and preliminary to a new crisis of capitalism opening the way to new revolutionary advances supported by an ever more powerful USSR.

9. If the assumed US military aid were to be withheld from the prospective recipients, the USSR would take advantage of the ensuing disillusionment in its efforts to extend its hegemony by all political, psychological, and subversive means.

W022048

APR 21 3 55 PM '49

~~TOP SECRET~~

~~CONFIDENTIAL~~