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NATIONAL INTELLIGENCE ESTIMATE

THE STRATEGIC IMPORTANCE OF
THE FAR EAST TO THE USSR

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NATIONAL INTELLIGENCE ESTIMATE

THE STRATEGIC IMPORTANCE OF
THE FAR EAST TO THE USSR

NIE-43

The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the Central Intelligence Agency in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 5 November.

THE STRATEGIC IMPORTANCE OF THE FAR EAST TO THE USSR*

THE PROBLEM

To assess the immediate and long range strategic importance of the Far East† to the USSR.

CONCLUSIONS

1. The USSR derives numerous and substantial military and economic advantages from the areas of the Far East now under Communist control. This vast, continuous land mass provides valuable bases for launching attacks against the non-Communist Far East and for further political penetration of adjacent areas, and also provides defense in depth to the USSR. Furthermore, it contains a tremendous manpower potential and considerable, though largely undeveloped, resources of strategic raw materials.

2. The loss of Communist control over any presently-held areas would be regarded by the USSR as a blow to its prestige, and the loss in particular of Manchuria, North China, and/or the

northernmost part of Korea, would be regarded as a threat to its security.

3. The expansion of Communist control over all of Korea would provide the USSR with the most favorable base for operations against Japan and would deny the West its last foothold on the Northeast Asian mainland.

4. Communist control of Taiwan would not only eliminate the last territorial stronghold of anti-Communist China and the threat which the island now poses as a base for possible military operations against mainland China, but would deprive the West of a link in the offshore island chain and increase Communist capabilities for operations against other island bases.

5. Militarily, the expansion of Communist control into mainland Southeast Asia would be of limited immediate value. Over the long range, Communist control over mainland Southeast Asia, particularly if extended to include Indonesia and the Philippines, could be of great military importance to the USSR.

6. From an economic point of view, control of Southeast Asia would be of considerable strategic importance to the Communists by increasing their capabil-

* For the purposes of this estimate, it is assumed that the USSR and Communist China will subordinate any differences in their strategic assessment of the various areas of the Far East to the pursuit of their common objectives against the West. An estimate of possible divergencies between Moscow and Peiping is in preparation.

† Throughout the paper, the term "non-Communist Far East" will be used when referring to South Korea, Japan, the Ryukyus, Taiwan, and Southeast Asia (the Philippines, Indochina, Burma, Thailand, Malaya, and Indonesia). The term "Far East" will include the above-mentioned areas as well as Communist China, North Korea, and the Soviet Far East (east of and including the Lake Baikal area).

ities for weakening the West through denying food to India and Japan and denying strategic raw materials to Japan and the industrial countries of the West. Short of general war, such denial would have most serious consequences because Western countries would find it difficult to adopt sufficiently drastic emergency measures. In time of general war, the West would probably initially suffer less through such denial than it did during World War II; it is impossible, however, to estimate the effects in the event of a prolonged war.

7. The rubber of Southeast Asia is a continuing requirement for the USSR. Denial of access to this rubber would oblige the USSR to draw on stockpiles now believed to exist. Such denial over a prolonged period would create serious problems for the USSR. Furthermore, access to rubber, tin, petroleum and possibly other materials of Southeast Asia would be important to the conduct of a prolonged war by the USSR and would be even more important to a major industrial expansion in a Communist Far East.

8. Of the Far Eastern areas not now under Communist control, Japan is of the greatest strategic importance to the USSR. Japan poses the greatest potential threat to Communist military interests in the Far East and is a key element of the US defense line in the Western Pacific. Moreover, Japan, despite serious deficiencies in food and raw materials, would be an important addition to Communist strength because it has the only substantial industrial plant and the largest pool of trained workers and administrators in the Far East. Finally, it would be an essential element in the realization of the region's potential for long

range development into a strong, largely self-sufficient power complex.*

9. The possibility of creating such a power complex is probably an important factor in Soviet long-term planning. If such a complex were created, it would in time of war greatly enhance the ability of the Communists to maintain sustained and large scale military operations in the Far East. Moreover, it would add greatly to the Soviet potential for breaching remaining US Pacific defenses and for attacks against the US and Australia.

10. The USSR would encounter important but not insurmountable economic and political problems in developing such a power complex in the Far East even after it secured control over all areas of the region. In time of peace, the development of this complex would almost certainly require a decade or more; in wartime little progress toward that development could be made.

11. Therefore, in its assessment of the strategic importance of the Far East, the USSR is probably more influenced by short-term than by long-term considerations. Any partial expansion in this area, in addition to materially increasing Communist capabilities for gaining control of the entire region, would have such consequences within the framework of East-West relations as: (1) strengthening the Soviet global position relative to that of the West; (2) endangering US Pacific defenses; (3) draining Western resources; and (4) impairing Western measures to strengthen Europe and the Middle East.

* By "power complex" is meant a country or group of closely associated countries with an aggregate of political, economic, and military strength sufficient to exert a significant influence on the world power situation.

DISCUSSION

I. Geographic Factors of Strategic Importance

12. The Far East is far from the major Soviet power centers in western and central USSR. A single railroad line, an inadequate merchant marine, and air transport over vast distances provide the only means of communication between European Russia and Asia. Thus, poor communications presently limit the direct contribution either region can make to the other.

13. The security of the centers of Soviet power west of Lake Baikal cannot easily be threatened from Far Eastern areas now in non-Communist hands. European USSR is secure from ground invasion launched from the east. That part of the USSR most vulnerable to bombing attacks from the Far East (the area from Lake Baikal eastward) probably contains less than 15 percent of the USSR's primary industrial capacity (see Map III).

II. Strategic Importance of Areas Now Under Communist Control

14. The maintenance and consolidation of the present Communist position in the Far East is probably the most important consideration in the Kremlin's strategic assessment of that area. Over and above any positive strategic advantages provided by presently-held Communist areas, the loss of Communist control over any presently held areas, would be regarded by the USSR as a blow to its prestige, and the loss in particular of Manchuria, North China, and/or the northernmost part of Korea, would be regarded as a threat to its security.

Soviet Far East and China

15. Areas now under Communist control provide the Kremlin with numerous and substantial strategic advantages. The Soviet Far East provides the USSR with air and naval bases from which attacks can be launched against South Korea, Japan, Alaska, and the US. Communist China, in addition to pro-

viding defense in depth for the Soviet Far East, has air bases which permit long range aircraft to strike at Japan, the Ryukyus, Taiwan, the Philippines, the Mariannas, mainland Southeast Asia, and all except the extreme eastern and southern areas of the Indonesian archipelago. (See Map II.) China's long coast line also offers potential for naval bases — especially submarine bases — which could extend the USSR's naval operations in the Pacific. From a defensive point of view, however, the coast of China could impose a formidable commitment upon the USSR in view of the very limited Chinese Communist naval forces. Communist China's large and fairly well equipped army and air force are now an important adjunct to Soviet forces in the Far East. In the event of general war, the enormous population of China would supply the Communists with a tremendous pool of manpower for either labor or military service. The amount of manpower drawn into the military services, however, would be subjected to limitations imposed by the requirements of the Chinese economy and the ability of China and the USSR to equip such manpower.

16. Both the Soviet Far East and Communist China have natural resources, most of which have not yet been fully developed but which are even now playing an important role in increasing the Communist war potential in the Far East. Large quantities of coal are located in the Soviet Far East and in Communist China. There are abundant deposits of iron ore in China and probably also in the Soviet Far East. China is already supplying a large part of the Soviet requirements for tin, tungsten, and molybdenum, and deposits of nickel and copper are located in the Soviet Far East. This area also has large lumber resources. Oil deposits exist in the Soviet Far East and in Northwest China.

Korea

17. The USSR almost certainly regards maintenance of Communist control over at least large areas of North Korea as of great strategic importance. Loss of the northernmost

part of Korea would be regarded by the Communists as a threat to the security and a blow to the prestige of both the USSR and Communist China. On the other hand, Communist control over all of Korea would furnish the Communists with the most favorable base for an attack on Japan, and would provide defense in depth for North China, Manchuria, and the Soviet Far East.

III. Strategic Importance of Non-Communist Areas

Taiwan

18. Political considerations currently give Taiwan special significance to Peiping. Control of the island would also provide the Communists with some economic advantages, but Taiwan's principal significance arises from the threat that it now poses to the Communists as a base for military operations against mainland China or raids on Communist shipping. Communist control of Taiwan would not only eliminate this threat but would deprive the West of a link in the offshore island chain and increase Communist capabilities for operations against such other island bases as Okinawa and the Philippines.

Southeast Asia

19. Militarily, the expansion of Communist control into mainland Southeast Asia, would be of limited immediate value. Communist control of mainland Southeast Asia would provide defense in depth to China's southern flank, but present Communist capability for making use of even the few naval and air bases in mainland Southeast Asia is limited. Furthermore, overland and sea communications with bases in the area would be inadequate and would be vulnerable to Western attack. Even if control were extended to the Philippines and Indonesia, the Communists could gain few immediate military advantages, because neither the mainland nor the island area of Southeast Asia possesses a significant pool of trained military manpower or more than a negligible munitions production capacity. Defense of all Southeast Asia would present formidable difficulties because of the great distances involved, and inade-

quate Soviet and insignificant Chinese Communist naval forces and merchant shipping, and the obstacles to developing strong defenses from the present resources of China and the Soviet Far East. Over the long run, however, many of these deficiencies could be overcome and Communist control over the entire area would provide great military advantages because such control would provide protection to lines of communication in Southeast Asia and advanced bases for further offensive action in the South Pacific and Indian Ocean areas.

20. In their short run strategic assessment of Southeast Asia, therefore, the USSR is probably more influenced by the immediate advantages to be gained by denying the West access to the area than by the immediate military advantages which would accrue to them. Southeast Asia is currently the major Western source of natural rubber, tin, and copra, as well as a secondary source of hard fibers, shellac, chrome, and petroleum. It is also a major source of food for India and Japan. Short of general war, the Western Powers would have most serious problems in adjusting to the loss of Southeast Asian supplies because they would find it difficult to adopt the necessary emergency countermeasures. By the same token, the loss of Malaya's dollar earnings would be a severe blow to the UK and indirectly to the US. The consequent maladjustments that would be created in the strategic material and in the balance of payment positions of the NATO countries could result in a serious setback in the rate of NATO rearmament. In time of general war, the West would also face difficulties if it were denied access to Southeast Asian raw materials, although the initial consequences would be less serious than in World War II as a result of stockpiles, new technical developments in conservation and substitution, and access to alternative sources of supply. It is impossible, however, to estimate the effects in the event of a prolonged war.

21. The economic and political advantages which the Communists would derive from control over Southeast Asia would increase as a Western-oriented Japan became more de-

pendent on the markets and raw materials of this area. The Communists could also use their domination of Southeast Asia to improve their bargaining position with other non-Communist areas. For instance, Communist control over Southeast Asian food surpluses and raw materials could serve as a lever to bring India into closer association with the Communist world and to obtain relaxation of Western export controls.

22. On the other hand, the immediate positive economic contribution Southeast Asia could make to the Soviet and Chinese Communist economies would be limited by the fact that, like the Soviet Far East and China, Southeast Asia is a raw material producing and capital importing area. Nevertheless, the rubber of Southeast Asia is a continuing requirement for the USSR. Denial of access to this rubber would oblige the USSR to draw on stockpiles now believed to exist and over a prolonged period would create serious problems for the USSR. At present, the USSR and Communist China are obtaining few other strategic materials from Southeast Asia. Present Soviet import requirements of tin can be met from Communist China. Moreover, the rice surpluses of Southeast Asia are normally not urgently needed by Communist China or the Soviet Far East. Access to the rubber, tin, petroleum, and possibly other materials of Southeast Asia, however, would be important to the conduct of a prolonged war by the USSR, and would be even more important to a major industrial expansion in a Communist Far East.

Japan

23. Of the non-Communist areas of the Far East, Japan is of the greatest strategic importance to the USSR and Communist China. Japan poses the greatest potential threat to Communist military interests in the Far East. Japan is the principal operational base for UN prosecution of Korean operations. More important, from operational bases in Japan, anti-Communist forces dominate the approaches to the Soviet Far East and northern China and could attack by air or sea all major industrial and military targets in the Communist-held areas of the Far East. As

long as Japan provides the US with military bases, the ability of the USSR to attack the US from the Soviet Far East would be sharply curtailed. Conversely, under Communist control, Japan would pose the greatest threat to the US position in the Western Pacific.

24. Japan also possesses the only significant industrialized economy in the Far East as well as the largest pool of skilled workers, technicians, and administrators. Its steel production capacity is nearly 25 percent that of the USSR, it has considerable facilities for the construction of naval and merchant vessels, and, in time, it could re-establish a substantial aircraft and munitions industry. The industrial plants in the Soviet Far East, Manchuria, and China, though small in relation to that of Japan, comprise the only other important industrial elements in the Far East.

25. A Communist Japan could play a key role in the development of the Chinese Communist economy and could supply Southeast Asian requirements for consumer and capital goods. However, exploitation of Japan's industrial plant would require imports of iron ore, coking coal, manganese, and tungsten, available in China, as well as such other raw materials as rice, petroleum, tin, and rubber from Southeast Asia.

IV. Over-all Regional Considerations

Potential for Development into Power Complex

26. The addition of virtually all the non-Communist Far East to presently-held Communist areas would provide the USSR with a combination of countries which, potentially and over the long run, could be developed into a strong industrial and military base largely independent economically of western and central USSR and capable of exerting a significant influence on the world power position.

27. Creation of such a power complex would greatly enhance the ability of the Communists to maintain sustained large scale military operations in the Far East. Communist control of the region would deny the resources of the area to the West, and would add enor-

mously to Soviet prestige throughout the world. Moreover, such a complex, by adding greatly to Soviet capabilities for breaching remaining US Pacific defenses and for attacks against the US and Australia, would pose a severe additional drain on US strength.

28. Even if the Communists were able to secure control of the entire Far Eastern area without provoking a general war, however, they would probably require at least a decade, after such control had been obtained, to develop such a power complex there. The area might be short of petroleum for some time even with full access to Indonesian oil. Dependence on western and central USSR and on the non-Communist world for certain raw materials such as cotton and for highly specialized industrial items could not be quickly ended. With the exception of Japan, the region is deficient in technicians and skilled industrial workers. Above all, owing to Japan's economic dependence on both China and Southeast Asia, full realization of the area's potential would require construction of a large merchant fleet, as well as the naval and air strength to defend the long and vulnerable lines of ocean communication (see Map I). In time of peace, all of these deficiencies could be removed, but only after years of effort.

29. The creation of a Communist-controlled Far Eastern power complex would also confront Moscow with the difficult, though not insurmountable, problem of working out the future relationships of the USSR, Communist China, and a Communist Japan. A Communist Japan and Communist China would almost certainly vie with each other for leadership in the Asian Communist movement as well as in the exploitation of the more backward areas of the Far East. The fact that Japan would be a primary industrial base of the Communist Far East, combined with Japan's modern experience with administering a "co-prosperity sphere," would threaten China's position and influence in the Asiatic Communist movement. The problem of delineating or restricting areas of influence could strain Sino-Soviet as well as Japanese-Soviet relations. Thus in integrating the Far

East, the USSR would be confronted with control problems far more difficult than those it faces in the small states of Eastern Europe. Vast distances, inadequate communications, and the pressures of enormous populations on undeveloped resources would further complicate the problem of maintaining effective control over the region and of preventing the emergence of independent Communist movements.

30. Despite these difficulties, the USSR is probably influenced in its long range strategic assessment of the Far East by the region's potential for being developed into a strong, largely self-sufficient power complex. Communist expansion into any area of the Far East would materially increase Communist strength in the area and Communist capabilities for gaining control of the entire region and thus would be a step toward achievement of this power complex.

The Region's Role in Current East-West Relations

31. In addition to being influenced by these strictly Far Eastern considerations, the USSR is probably more influenced in its strategic assessment of the area because of the opportunities which it affords in the immediate framework of East-West relations for strengthening the Soviet global strategic position. Conditions in the Far East are favorable to the Kremlin in its campaign to divide and weaken the non-Communist world. The fighting in Korea and throughout Southeast Asia, as well as such issues as the Japanese Peace Treaty and the recognition of Communist China, can be exploited in an effort to undermine faith in the UN as an instrument for preserving world peace. These issues can also be used in attempting: (a) to increase non-Communist fears of the inevitability of war unless an accommodation is reached with the USSR; and (b) to create conflict between the US and its Western European allies over the diversion of US strength to the Far East.

32. In addition, the nationalism, poverty, and distrust of the West prevalent in the Far East provide the Communists with propaganda

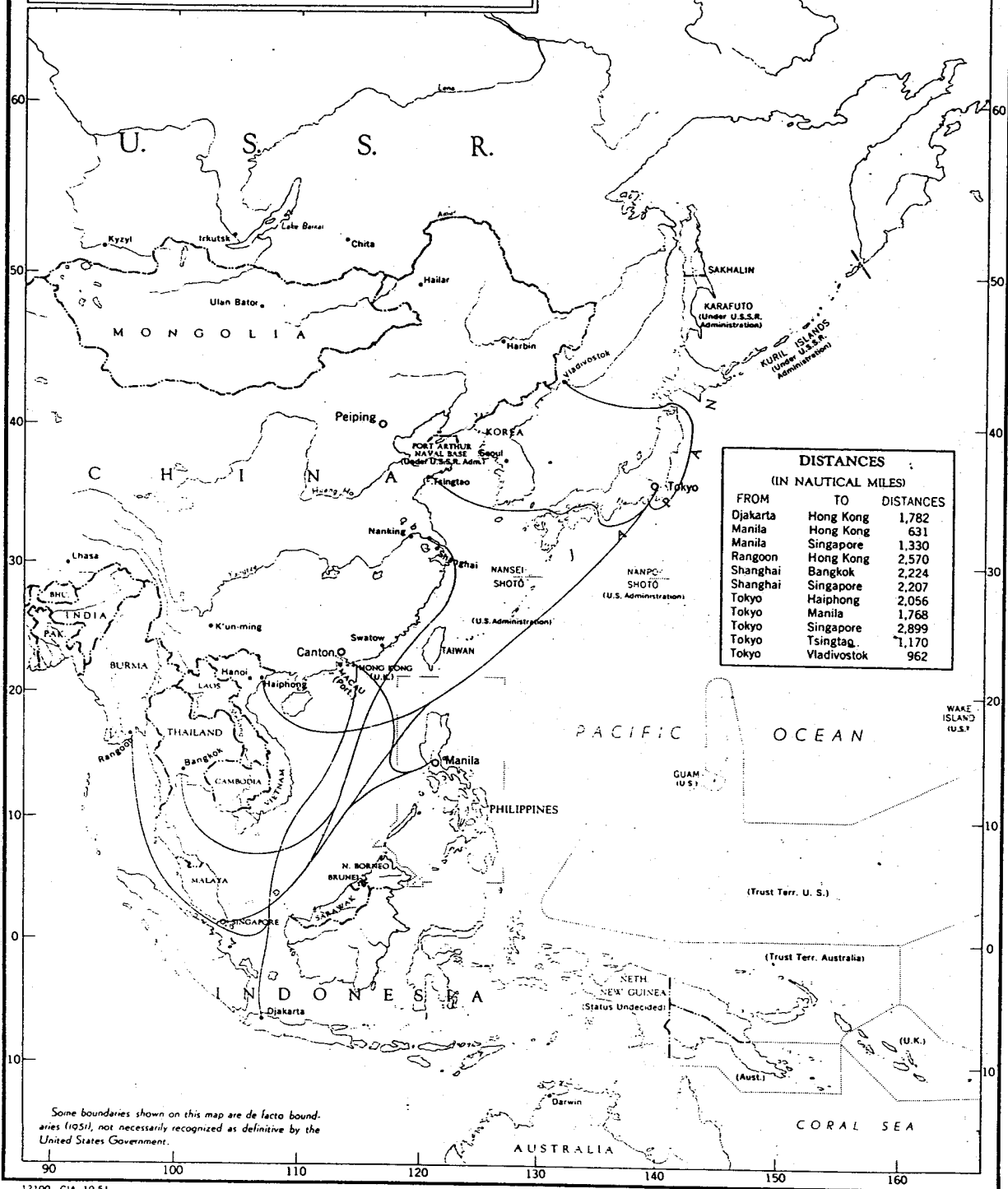
opportunities for eliciting the support not only of peoples in the Far East but even of other areas of the non-Communist world. These conditions also make the Far East one of the most vulnerable areas of the world to

Communist expansion by political warfare and serve the Kremlin in its campaign to drain Western resources, and to obstruct Western measures to strengthen Europe and the Middle East.

THE FAR EAST SELECTED SEA ROUTES AND DISTANCES

Miller Projection
Equatorial Scale 1:55,846,000

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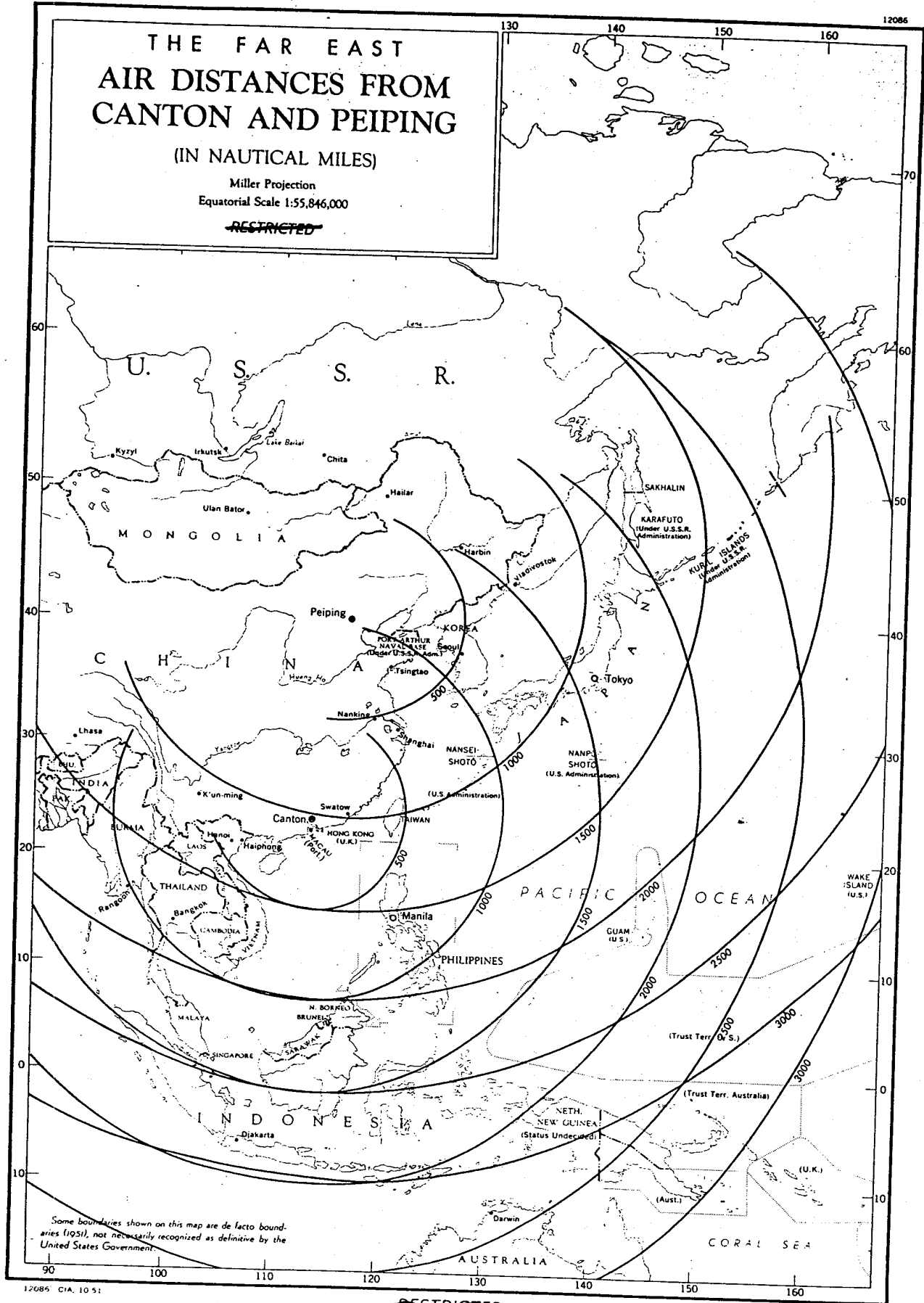
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THE FAR EAST AIR DISTANCES FROM CANTON AND PEIPING

(IN NAUTICAL MILES)

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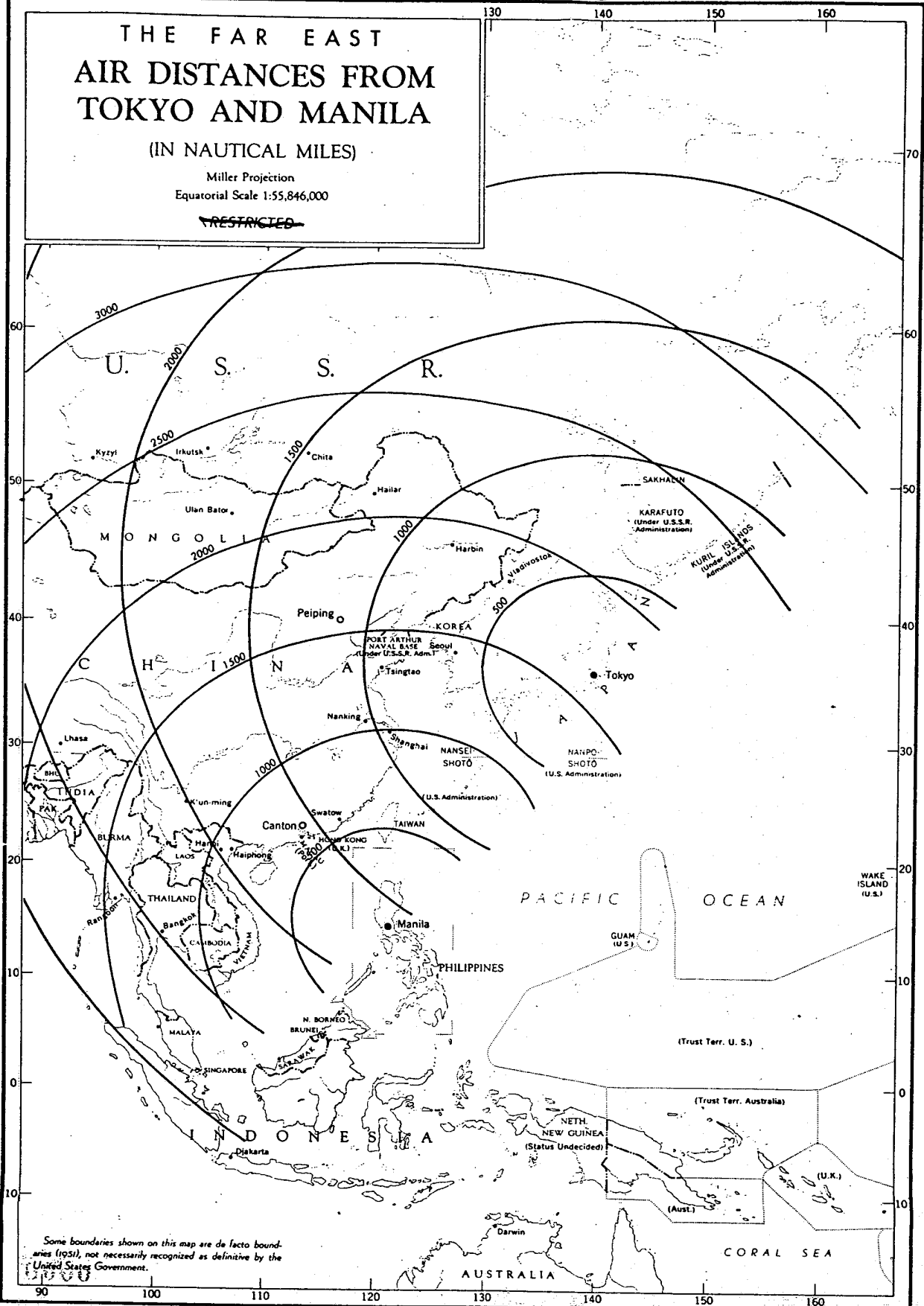
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(IN NAUTICAL MILES)

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