

TOP SECRET - COSMIC

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NOTE BY THE SECRETARIES

to the

NORTH ATLANTIC MILITARY COMMITTEE

on

ESTIMATE OF THE RELATIVE STRENGTH AND CAPABILITIES
OF NATO AND SOVIET BLOC FORCES
AT PRESENT AND IN THE IMMEDIATE FUTURE

1. The Council Deputies have noted the figures of Soviet and satellite resources and productive capacity given in the attached report and have considered whether it would be useful at this stage to insert for purposes of comparison an assessment of the resources and productive capacity of NATO countries in response to Council resolution of C7-D/2 (final).

2. The Council Deputies believe that a simple comparison of statistics illustrating relative economic resources of NATO countries and Soviet Bloc would be misleading without including a full discussion of the factors which govern the distribution of these resources between defense and other purposes. Since those factors are now being studied by the Temporary Council Committee, the Council Deputies have concluded that an authoritative assessment of the resources of NATO countries can best be obtained in the light of the report of the Temporary Council Committee. Therefore they recommend that the present paper, as a joint report of the Military Committee and the Council Deputies in compliance with paragraphs (1)(a) and (2) of C7-D/21 (final), should be restricted to the assessment of the Soviet position contained therein.

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The following is quoted from comments by the Supreme Allied Commander Europe on S.G. 161:

"This paper contains an estimate of the capability of the Soviet Union to make war as far as this can be assessed by intelligence. Nevertheless, wars are, in the end, won by the influence of moral factors of leadership, judgment and tenacity of purpose . . .

"In the face of the Soviet threat, Europe, through NATO and backed by the great and developing war potential of the United States, is moving slowly from extreme weakness toward strength. While progress is slow, there is little doubt that it is not being underestimated by the Soviet authorities, whose present policy has been directed toward delaying Western rearmament and breaking up the closing ranks of European cooperation by all possible means short of war. The Soviet Government knows that if it does not achieve this object, the time will come when we shall talk to them from a basis of strength. One of their most potent weapons is the suggestion that it is hopeless to oppose them and that the sacrifices entailed by rearmament are, in fact, useless. On the other hand, we believe that if the NATO nations achieve the goal set for them by 1954, that is, if the D-Day forces together with the reserves behind them are made effective in morale, manpower, training, leadership and equipment, then the danger point can and will be passed."

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REPORT BY THE STANDING GROUP

to the

NORTH ATLANTIC MILITARY COMMITTEE

on

ESTIMATE OF THE RELATIVE STRENGTH AND CAPABILITIES
OF NATO AND SOVIET BLOC FORCES
AT PRESENT AND IN THE IMMEDIATE FUTURE

THE PROBLEM

1. To compare the relative strengths and capabilities of NATO and the Soviet Bloc forces at present and in the immediate future.*

BASIC ASSUMPTIONS

2. The following basic assumptions have been used:

a. That this paper be confined to a discussion of NATO/Soviet conflict and that consideration of a global war is introduced only insofar as it affects the NATO/Soviet conflict.

b. Only the defensive uses of strategic air and special weapons in support of NATO forces are discussed in this paper.

c. D to D/30 is assumed to be the most critical and this paper is mainly confined to this period. However, it does not fully cover the serious threat to sea communications to the United Kingdom and Europe, not only from submarine but also from air attack which may develop at the later stages of a war.

d. That for the purpose of this paper the "immediate future" is considered to be mid-1954.

* It has been necessary in parts of this paper to make certain statements without arguments to support and sustain them. This is inherent in the production of any intelligence report which cannot, for security reasons, give the sources of information.

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CONCLUSIONS

3. For conclusions, see paragraph 103, page 41.

ESTIMATE OF STRENGTH AND CAPABILITIES OF THE SOVIET BLOC

GENERAL

4. The following is an analysis of the strength and capabilities of Soviet Bloc forces to conduct military operations against NATO during the period 1951-1954, including the capacity of the Soviet Bloc to maintain and increase these forces after the outbreak of war. The implications of this analysis, however, will only be fully apparent against a background of Soviet foreign policy.

5. The basic objectives of Soviet policy are the maintenance and strengthening of the Soviet Regime and the expansion of International Communism. This policy is at once revolutionary and traditionally imperialistic in character, and is thus able to use the disrupting forces of International Communism in the service of Soviet Imperialism. The USSR has pursued this objective by a policy of political and ideological aggression, backed by the threat of overwhelming armed force. So long as the USSR continues to enjoy its present predominance in Armed Forces, backed by an expanding economy directed into channels which would increase its military potential, the Western Powers will continue to run grave risks of being subject to an increasing degree to this form of aggression.

6. Nevertheless, while the Soviet leaders have in certain cases, e.g., Korea and Indo-China, utilized the Armed Forces of the Soviet Satellites to commit armed aggression by proxy, they are skillful tacticians and their actions so far have shown their aversion to jeopardizing Russian national security by the direct use of Soviet Armed Forces to further their objectives.

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7. The Soviet Union enjoys at the present time a marked predominance in Armed Forces and conventional weapons over the free nations of the West. The Soviet Union may be expected to try to maintain its superiority in armed strength, upon which it relies for furthering its policy of political and ideological aggression, by continuing its efforts to disrupt NATO and alienate popular support from the Governments of its Member-Nations, to prevent Western Germany from cooperating with the Western Powers, to sow dissension between Asia and the West, and to foster discontent and revolutionary tendencies in the Colonial and dependent countries. The danger therefore exists that unless the Western Powers can become strong enough to neutralize each Communist move at the point where it occurs, a miscalculation by the Soviet Leaders may lead to actions on their part which so threaten the vital interests of the Western Nations that a war will ensue which is not intended on either side.

8. Furthermore, the possibility cannot be excluded that the Soviet Government may decide to precipitate a general war before their present predominance in military power is threatened by the rearmament of the West.

9. Although tensions exist within the USSR and even more within the several satellites, these are probably not sufficiently serious to deter the Soviet rulers from any line of International action, including the possible resort to force, that they might consider expedient. Neither are these tensions sufficiently serious to justify the expectation that the problem of maintaining Kremlin control over the USSR or over the satellites is likely to pose major obstacle to the Soviet ability to maintain a major war effort.

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10. Various factors exist which may well act as a deterrent to the taking of action by the USSR which would precipitate a general war during the period under review. These include the belief of the Soviet Leaders that the Capitalist countries are doomed to eventual economic and social collapse, the cooperative effort of the NAT Nations to strengthen their defenses, the potentially greater ability of the West to sustain a prolonged war, and the preponderance of the US strength in atomic weapons. Despite these deterrents the danger of the NAT Nations becoming involved in war as a result of the pursuit by the USSR of its objectives cannot be minimized.

ECONOMIC

INTRODUCTION

11. The USSR. The economy of the USSR is highly centralized and is expanding at a high rate. The population is rapidly increasing while the country is carrying out a vast industrialization program, involving a concentration on capital investment, civilian and military, at the cost of living standards. Production of armaments takes a high priority, while least emphasis is placed on the manufacture of consumer goods. The USSR as a whole is largely self-sufficient in raw materials, although it has some deficiencies, including natural rubber and certain metals. Reserves of strategic materials have been and are being accumulated.

12. The Satellites. Since the Soviet Union took control of the Governments of the Satellites, they have developed those industries which are of most value to the USSR and to a large extent have used them to increase Soviet military and economic strength.

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MILITARY IMPORTANCE OF THE ECONOMY

13. To illustrate the rate of expansion of the economy of the Soviet Bloc, some figures showing production in the USSR in 1940 and our estimates of production in the USSR and the Satellites for 1952 are tabulated below:

	<u>USSR</u> <u>1940</u>	<u>USSR</u> <u>1952</u> (Estimated)	<u>SATELLITES*</u> <u>1952</u> (Estimated)
Steel (thousands of metric tons)	18,000	31,000**	9,000
Coal*** (thousands of metric tons)	166,000	275,000	175,000
Crude Oil (thousands of metric tons)	32,000	44,000**	9,000
Electric Power (millions of kwh)	50,000	120,000	49,000
Bread Grains (Wheat and rye) (millions of metric tons)	**** 56.2	60.0	22.4
Aluminum (thousands of metric tons)	59.9	235	30.0
Synthetic Rubber (thousands of metric tons)	82.0	220	55.0
Sulphuric Acid (thousands of metric tons)	1,540	3,640	1,347
Transportation (billion tons kilometers)	415	650	85

14. Despite the expansion of recent years, the production of the basic industries in the Soviet Bloc as shown in these

* Eastern European Satellites, including the Soviet Zone of Germany. Figures for crude oil include the Soviet Zone of Austria.
 ** The maximum probable figure.
 *** In hard coal equivalents.
 **** 1935-39 average

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tables is still well below production in the NATO countries; however, relative to these countries, a much higher proportion of the resources have, since 1945, gone to military production and to capital investment, which not only strengthens the economy generally but strengthens war supporting industries. The pattern of investment has given special emphasis to basic industries such as aluminum, petroleum, electronics, steel and electric power which are directly required for the production of military end items, to plants which are readily convertible to arms production, and to canals and railways of high significance in war time. In general, the Soviet economy today is probably better able to sustain a major war effort than the German economy was in World War II.

15. Even the present relatively high output of munitions in the USSR absorbs only a small proportion of the basic materials. For example, since 1945 less than 10 per cent of the annual Soviet output of steel has gone directly into munitions. It is relevant to note that Germany and the USSR carried out their immediate pre-World War II rearmaments on annual crude steel production of 22,000,000 and 18,000,000 tons respectively. Moreover, Germany fought the war on an average annual production of 20,000,000 tons, while Soviet production was as low as 8,000,000 tons in 1942.

16. In any comparison between the basic military strength of the Soviet Bloc and the NATO countries, a major factor is the lesser and slower demobilization by the USSR of both its armed forces and its armament industries after 1945. Plants for making munitions, which in the West would have been turned over largely to non-military production including consumer goods, have in the USSR been kept either partly or wholly on munitions production. In plants which have been converted to peacetime production, care

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has generally been taken to enable them to revert quickly to their wartime uses. In some cases even new plants have been designed to be turned over rapidly to munitions production, the new tractor plants, for example, being readily convertible to tank manufacture.

17. The Soviet economy is permanently working within a complete planning scheme. The Government Councils and their various agencies have available all the necessary information and power which will enable them to reorient their economy and alter the allocation of the key products at need. At the same time, the Soviets are already in peace carrying out their plans by financial methods which the Western Powers use only in emergency. These two factors make the Soviet economy easily able to mobilize all its resources rapidly and completely.

18. The effect of the Soviet policy outlined above has been to introduce numerous factors into any comparison of industrial strengths which, when related to military strength, is weighted heavily in favor of the USSR. Though in a war of indefinite length the NATO industrial superiority would be an important factor in their favor, in the short term the Soviet Bloc has the advantage. The extent to which this advantage will continue must largely depend on the extent and speed of rearmament in the NATO countries.

19. The effect of the policy which has been outlined above can be summarized as follows:

a. The production of conventional military items in the Soviet Bloc since 1945 has been generally much higher than that in the West.

b. Relatively more attention has been paid in the Soviet Bloc to maintenance of reserve plant capacity to permit rapid expansion in wartime in the production of military items.

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c. The Soviet Bloc has accumulated stockpiles of critical items, which permit high peak rates of consumption in a military crisis and at the same time reduce Soviet short term vulnerability.

d. Throughout the economy, the highest priority has been assigned to those industries of critical importance to the support of military production (e.g., atomic energy, electronics, steel, aluminum, petroleum and transportation).

e. The economic structure of the USSR gives it the capability of a complete and rapid mobilization.

CAPACITY OF ECONOMY IN WAR*

CURRENT PRODUCTION AND RESOURCES

20. A precise assessment of the Soviet military inventories cannot be given but it is believed that they must be large. Soviet production has been running at such a high rate since 1945 that, even allowing for reequipment programs, the USSR must have been able to place large quantities of munitions to reserve. Even should war break out unexpectedly, the USSR would have accumulated stocks of military end items sufficient to meet initial requirements.

21. It is not possible to estimate for how long the munitions reserves would support the Armed Forces as this depends on many factors including the scale and scope of operations, but they are amply sufficient to equip the additional formations which will

* The effects of air attack are not taken into consideration. The vulnerability of the economy to such attack is considered later.

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and radar, in sufficient quantity to meet essential Soviet military needs. However, the capacity of this industry is probably not adequate to supply expendable military electronics items (proximity fuzes, guided missiles, etc) on a scale which would permit widespread utilization in large quantities.

VULNERABILITY TO AIR ATTACK

39. The close balance between availability and requirements in many items of importance to the Soviet Bloc economy, together with the vulnerability of many segments of the economy to air attack, would represent the principal weakness in any effort to maintain or strengthen the economy of the Soviet Bloc under wartime conditions. The concentrations of plants in areas accessible to allied bombers and the extreme difficulty of replacing or reconstructing such plants makes certain industries highly vulnerable to air attacks. Such attacks could produce a serious reduction in the supply of vital services and commodities; however, substantial stocks of these commodities and of military end items, which are widely dispersed, might prevent the full effects of such losses from being felt at the front during the early phases of the conflict.*

VULNERABILITY OF THE ECONOMY TO ECONOMIC WARFARE

40. Under wartime conditions of a tight and complete program of export controls and additional measures such as preclusive buying, black listing, foreign funds control, denial of shipping facilities and sabotage, the Soviet Bloc would be forced to reduce the effects of such a program by adjustments

* The question of the ability of the Soviet Bloc to benefit from the economies of any areas it might overrun is not considered in this paper.