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BASIC ASSUMPTIONS FOR AN ASSESSMENT
OF THE LONG-TERM THREAT TO NATO

Introduction

GENERAL

1. For the purposes of long-term planning the military authorities wish to obtain certain basic data to enable them to appraise the political, economic and demographic factors likely to affect the East-West conflict in the coming years, particularly those which may have a bearing on the military situation. The purpose of the present survey is, on the basis of the present situation, and its discernible trends, to deal with points which would seem to be of special concern to the military authorities.

It must be pointed out, however, that there are many elements of uncertainty in such a survey, since events may well occur which are at present unpredictable. This study will cover successively:

- A. Europe
- B. The Middle-East and the Mediterranean
- C. The Atlantic, including the United States - Canada area
- D. The other regions (the Far-East and problems relating to the influence of Communist China on world affairs).

2. During the next eight years, the main lines of the Soviet policy of world domination can be expected to remain unchanged. The USSR will maintain its pressure on the free world in an attempt to weaken its political positions, neutralise its military forces, and undermine its economic power. The break-up of the Atlantic Alliance will continue to be one of the main objectives of the Soviets. Furthermore, the USSR will certainly persist in its efforts to establish itself in new positions, particularly in the non-committed countries, to influence the policy of these countries to its own advantage, to induce them, should the occasion arise, to grant facilities intended to strengthen its military potential and if possible to deprive the West of the facilities (e.g. bases) which it now enjoys.

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CORRIGENDUM to
APAG/1

PAGE 2 SHOULD READ:

"However, during this period, very close attention will have to be given to the various factors liable to cause difficulties for the USSR. In the domestic field, the factors involved are the following:

- (1) economic difficulties, especially in agriculture; also competition for economic resources between agricultural, defence, capital and consumer goods;
- (2) the conflict of ideas and the struggle for leadership between various actions within the communist world. The trend taken by Sino-Soviet relations will be of major importance. It is difficult at the present stage, to assess the true significance of the dispute between China and the Soviets. No more can apparently be advanced than that:
 - (a) no formal break has as yet occurred between the two countries;
 - (b) a complete break, if there was to be one, would appear unlikely in the near future. However, the present differences may persist or even become more acute;
 - (c) a reconciliation for tactical purposes cannot be excluded;
 - (d) the USSR would not appear at present to be giving China direct or indirect military aid even in respect of the co-ordination of military planning.
- (3) the possibility that the problem of nationalities within the borders of the USSR may in the long-term assume serious proportions.

3. In these circumstances, constant tension with phases of greater or lesser strain will probably continue between the communist camp and the free world. In this respect, the trend of the talks now in progress on disarmament will have a determining influence."

OTAN/NATO,
Paris, XVIe.

NATO SECRET

A. EUROPE

Introduction

4. The security of the entire NATO area is closely bound up with the defence both of Western Europe and North America. This, in turn, rests upon the maintenance of a military force sufficient to serve as a deterrent to war and as a defence against armed attack should the deterrent fail. The maintenance and continuing modernisation of such a force depends to a great extent on the development of the material resources and industrial potentials of the Alliance. Such a development is in itself part of the economic and social defence against communism. Reinforcement and possible widening of the European Economic Community will constitute an important factor in the years to come. The effects will be significant not only in strengthening the NATO Alliance but also in respect of the political, military and economic balance vis-à-vis the Soviet Bloc, and also on relations with third parties, particularly the European neutrals.

5. Clearly, any developments affecting the balance of military power in Europe must have considerable influence upon the implementation of NATO strategy and possibly upon that strategy itself. The Soviets, appreciating that the security of this area is of paramount importance to the Alliance, will continue to exploit every opportunity to undermine Western solidarity in this vital region, and in general to weaken NATO and secure the withdrawal and dispersion of its military forces.

I. CENTRAL EUROPE

6. Political factors

The main political factors affecting the military balance are as follows:

- (i) the main concentration of NATO forces is in this area;
- (ii) an appreciable change in the situation in the Central European area is likely only if the nations of the Alliance abdicate their political and military responsibilities
- (iii) the presence of Soviet troops in the satellite countries will probably continue and any attempt by those countries to loosen their links with Moscow would be effectively repressed. It is difficult to assess the degree of loyalty to the USSR of the various satellite countries. There is reason to believe, however, that particularist forces are at work, especially in Poland. It is likewise probable that the "German Democratic Republic" will continue to be the weak spot politically of the Soviet Bloc in this region;

and the Soviet-occupied Zone of Germany, do a considerable amount of trade with the countries of the Alliance. This situation will probably continue, but Soviet Russia will no doubt oppose any tendency in the satellites to become too dependent on Western sources of supply. The satellites are closely dependent on the Soviet Union for their supplies of military equipment, Czechoslovakia being the only one with a large armaments industry. It seems certain, however, that for political and economic reasons, the Soviet Union will wish to remain the main source of military equipment for its Warsaw Pact allies.

- (2) The industrial development of the satellite countries will continue, thus increasing the economic and military resources of the Soviet bloc.
- (3) The USSR may step up its economic offensive aimed at the capture of certain markets, such as oil, seeking thus to create economic difficulties for the Western countries and their trading partners.

8. Demographic factors

In the USSR, there will be shortfalls in manpower in the first part of the period under consideration. For example, the 18-20 age group of the Soviet population will probably fall from 20.2 million in 1960 to 11.7 million in 1964, but will rise again to about 20 million in 1970. However, there is no reason to anticipate any shortage of military personnel in the satellite countries. The present Soviet policy of promoting technical education and the very extensive powers of the authorities as regards the direction of labour seem to indicate shortage of skilled personnel.

II. NORTHERN EUROPE

Introduction

9. From the strategic standpoint, the importance of Scandinavia lies inter alia in:

- (i) the barrier which it presents to Soviet access to temperate waters;
- (ii) the bases which it affords for counter-offensive (including anti-submarine) operations;
- (iii) its favourable location for the detection and warning of impending attack.

10. In peacetime, the forces stationed in the NATO countries of this area are comparatively small and the defence of the area can be greatly affected by the situation in the non-NATO countries, (Finland and Sweden).

11. Political factors

(1) Finland

- (a) The Finnish Government will do its best to avoid being forced into an anti-Western position.
- (b) It is not certain, however, that it will succeed in doing so owing to the very heavy pressure which the Soviets can bring to bear on Finland in the fields of domestic policy and economic affairs as well as in the military field.
- (c) Finland's freedom of action is considerably hampered by its commitments under the Soviet-Finnish treaty of mutual assistance.

(2) Sweden

While Sweden's outlook and sympathies are entirely with the West, she is likely to maintain her traditional policy of scrupulous neutrality, backed up by a substantial defence effort.

12. Economic and demographic factors

There are unlikely to be any economic or demographic changes which will affect the situation in this region in the next few years.

III. SOUTHERN EUROPE

13. In a general war, Southern Europe controls the Black Sea exit and bars or flanks any direct Soviet advance into the Middle East or the Mediterranean basin. Moreover, the Balkan area and Turkey constitute an excellent base from which to threaten the Southern flank of the enemy.

14. In peacetime the comparatively weak defences in the areas of Northern Greece and Thrace are a matter of concern to the NATO military authorities, because this is an area in which the Soviets can embark upon acts of minor aggression to test the cohesion of the Alliance and its determination to resist, and to cause dispersion of its military strength.

15. Political factors

(1) Yugoslavia

- (a) Officially at least, the Yugoslav Government regard themselves as "non-committed".

- (b) With respect to the principal problems arising in international relations, Yugoslavia has so far generally sided with the USSR.
- (c) Should the East-West conflict become acute, Yugoslavia might succeed in avoiding full alignment with the USSR. However, it would be too much to expect Yugoslavia to apply a policy of true neutrality. Presumably she would adopt an attitude somewhere between benevolent neutrality towards the Soviet Union and granting the Soviets substantial military facilities, but in the over-riding interests of self-preservation, she would regard the importance of maintaining poor relations with the Soviet Union as paramount.

(2) Albania

In spite of difficulties with Moscow, Albania is still one of the Warsaw Treaty partners. However, the Tirana Government is apparently not fulfilling the relevant obligations (departure of Soviet submarines from the Valona naval base). In view of the evidence of serious divergencies between Moscow and Tirana, Albania is unlikely to associate itself voluntarily and whole-heartedly with the policy of the USSR. It is not impossible, however, that the USSR has effective means of bringing pressure to bear on Albania, inducing her to adopt a line consistent with the interests of the USSR and allowing the Soviets the use of military bases on her territory.

(3) Bulgaria

The possibility cannot be ruled out that attempts may be made from Bulgarian territory to infiltrate into Greece and conduct hostile local actions.

16. Economic factors

(1) Satellite countries

The comments made on the satellite countries of Central Europe hold good for those in this area.

(2) Yugoslavia

Yugoslavia has done its best to direct its foreign trade westwards and to use equipment obtained from the Western countries to build up its industry.

The main obstacle in keeping to this course will be the difficulty experienced by the Yugoslavs in increasing their exports (primarily of agricultural produce) to the West. The implementation of the Rome Treaty may add to these difficulties and lead indirectly to a strengthening of the economic ties between Yugoslavia and the Soviet Bloc. However great the influence of economic consideration may be on the attitude of Yugoslavia in the event of war, it is not regarded as sufficiently great to call for modification of the political comments on this country.

(3) Special problems of Greece and Turkey

Trade with the Soviet Bloc represents a sizeable proportion of the total foreign trade of Greece and Turkey.

In the case of Greece, the proportion of her exports to the Soviet Bloc has considerably increased (from 5% in 1955 to 22% in 1960). As regards Turkey, although some of the Soviet Bloc countries constitute traditional markets for her exports, the percentage of her trade with the Bloc, to her overall foreign trade, has gradually decreased as a result of the policy followed by the Turkish Government.

In view of the difficulties of those countries in balancing their external payments and in finding markets for their exportable agricultural surpluses, the Soviet Bloc obviously has certain means of economic pressure at its command. The association of Greece with the Common Market and the possible accession of Turkey to the Rome Treaty may, by strengthening economic ties with Western Europe, bring about a change for the better. The current economic expansion of Greece may result in the diversification of the Greek economy and make this country less vulnerable to an economic offensive. The economic development of Turkey, despite her efforts, is still far from satisfactory.

It seems true to say that although the economic situation of these two countries is progressing, it is still likely to cause concern during the period under consideration.

B. MIDDLE EAST AND MEDITERRANEANI. STRATEGIC IMPORTANCE OF THE REGION

1. The strategic objectives of the Alliance in this region are as follows:

- (a) to ensure in all circumstances the security of air and sea communications in order:
 - to provide effective support for the Allied States in Southern Europe (Greece, Turkey and Italy);
 - to maintain the flow of oil supplies from the Middle East, Libya and the Sahara;
 - to keep open the traditional trade channels between Europe and Africa;
- (b) to forestall any attempt by the Soviets to gain control of the Middle East in order:
 - to maintain the cohesion of CENTO and thus promote greater stability in this area;
 - to protect the oil installations against Soviet attack.
- (c) in North Africa, to contribute to the peaceful development of the new independent States and thus to deny Soviet penetration of the African continent by this route.

II. POLITICAL EVOLUTION

2. The Soviet Union will undoubtedly seek to break up the CENTO Alliance. Subversive action by the Soviets can be expected, aimed at supporting left-wing elements, particularly in Iran.

3. The economic and social structure of this country provide an ideal breeding ground for local revolutionary movements which can be used by the Soviets for their own purposes. The present Amini government, pledged above all to bring about social reforms in collaboration with the Western powers. The Soviets can be expected to do their best to prevent such a programme of reform from being carried out by stirring up discontent and using opposition groups, such as the national front and the Tudeh party as their tools. In the economic field Iran will attempt to find the way to some kind of balanced development as the revenue derived from its exports of oil constitute the bulk of the national resources. Recently the Iranian Government turned towards the West in order to make good the \$ 800 million currency deficit to be incurred in carrying out the next five-year economic plan.

4. Furthermore, the Soviets will presumably make efforts to penetrate into the neutralist countries Iraq, Syria and Egypt:

- (a) In the immediate future, of the oil-producing States - Saudi Arabia, Kuwait, Iraq and Iran - Iraq is the one which seems to offer favourable ground for Soviet penetration. The frequent uprisings among Kurdish tribes may help the Soviets in reaching their objectives. Moreover, the intervention of military units in political affairs will probably continue. Despite the balance Kassim is trying to maintain between the Nationalists and Communists, he remains dependent on Soviet military aid, and this cannot fail to influence the Army.
- (b) These comments also apply to the situation in Syria. Since this country broke with Egypt, the Army has been the determining factor in Syrian political life.
- (c) Although the USSR certainly has no pressing need of Middle East oil, it will strive to deprive the West of this source of supply, at least in wartime. At the moment, it does not seem that it can hope to extend its control to most of the oil-producing States in the foreseeable future. It is, however, likely to concern itself with the two States which themselves, to a large extent, control the transport of oil. If the Soviet Union can obtain some degree of influence in Syria and in Egypt it could hope to cause serious difficulties over the supply of oil to the West.
- (d) Nevertheless, for economic reasons, the oil-exporting countries of the Middle East (Iran, Iraq, Saudi Arabia, Kuwait and the Persian Gulf States) will probably do all they can to resist Soviet pressure and to maintain close economic links with Western Europe, their largest market. They are in competition with the Soviet Union, itself an exporter of oil, and their trade with the Soviet Bloc remains at a fairly low level, despite the military and economic aid provided by the Soviet Bloc, particularly to Iraq. If the Soviet Union could deprive the West of its Middle East supplies, the economic life of all these States would be paralysed.
- (e) Egypt, which, owing to its control of the Suez Canal is of overriding strategic importance to the West, is closely dependent for trade on the Soviet Bloc (in 1958-60, the Soviet Bloc took nearly half Egypt's exports and supplied more than one third of its imports). Accordingly, this country may prove sensitive to Soviet pressure.

- (f) The conflict between Israel, a country closely linked to the West, and the Arabs may help the Soviets in gaining influence over Arab countries.

III. NORTH AFRICA

5. The USSR will probably try to take advantage of trends in this area, particularly in Algeria, to extend its influence on the southern shores of the Mediterranean, and thus, in the absence of positive strategic advantages, at least to achieve the neutralisation of the bases still available to France. Economic and social conditions in Morocco and Algeria furnish the main factors which the Soviet Union can hope to exploit. These same factors exist in Tunisia but in less acute form.

6. These three countries have a low standard of living (which for several years has shown a tendency to decline even further), a population quickly increasing in number, and a huge deficit in their commercial exchanges (particularly Algeria). To exploit their natural resources and reach a reasonable degree of employment, they need a considerable measure of external assistance. Owing to their recently gained independence, they are not prepared to accept certain forms of aid. France has shown her willingness to continue to give these three countries her support, but they will probably try to seek assistance from a wider variety of sources.

7. Algeria is clearly a special problem. It is too early to forecast the direction this country will now take. If its new leaders are determined to maintain close links with France, the Soviet designs will be thwarted. On the other hand, if their professions of friendship are not maintained, there will be greater opportunities for the USSR to penetrate this area. In domestic affairs, to repair the damage done over several years and to ease the powerful demographic pressure, the Algerian leaders might be led to adopt a socialist type of policy. It does not necessarily follow that they will take the same political line as the Sino-Soviet Bloc if Western assistance is maintained in an appropriate form. In the international field, the new Algerian leaders have already pronounced themselves against membership of any particular bloc which suggests that Algeria will cease to be part of the North Atlantic Treaty area. The fact that Algeria is a big country with considerable resources, a relatively advanced educational and social structure, with large and well-trained forces, is certain to have important consequences for the future.

8. In the immediate future, it seems that the Algerian policy will be akin to neutralism. In view of the attitude of Morocco and Tunisia, this is probably the best that can be hoped for.

9. In any case, the situation in Algeria will have a major influence on the development of North Africa and will have repercussions further south in the African Continent.

C. ATLANTIC AREAS

I. GENERAL

1. The Atlantic area constitutes the main life-line between the member states of the Alliance. The great support potential of North America is transported across the Atlantic to Europe. Control of the Atlantic area by NATO is thus absolutely vital to the survival of the Western Powers.

2. Control of the Atlantic is challenged by the Soviets primarily by their development of a massive submarine force and a powerful maritime air force. At present, the effectiveness of these Soviet forces is considerably reduced by the remoteness of their bases.

3. It is quite clear that the acquisition of bases on the coastline of the Atlantic Ocean, whether in Latin America or Africa, would greatly enhance the effectiveness of Soviet Submarine forces and would make the task of the anti-submarine forces of the Alliance much more difficult. The use by the Soviets of long-range atomic submarines might have serious repercussions on the defence of this section.

II. NORTH ATLANTIC REGION

4. The NATO island bases are essential to the control of the North Atlantic and support of forces in and over these and contiguous waters. They provide support for the nuclear counter-offensive forces, airfields for reconnaissance and anti-submarine operations, essential support for ferrying short-range aircraft across the Atlantic and support of naval forces in these and contiguous waters. They are also valuable as early warning stations.

5. Iceland is particularly important as a base for NATO because it dominates the bottlenecks through which Soviet naval forces must pass from their existing bases to their operating areas.

III. LATIN AMERICA

6. The Soviet bloc will no doubt continue to attempt to foment insurrection and revolution as stepping-stones to the establishment of Communist régimes in Latin America. Political and social evolution in almost all Latin America has been slower than in many other parts of the world. The present growth of population in Latin America on the other hand is faster than in any other area in the world. The combined effect of population growth with rapid expansion has resulted in some countries in urban overcrowding which provides a suitable environment for the development of Communism.

7. Such a development could be delayed or prevented by the efforts deployed by the organization of American States, by agrarian reform and by access to outside markets for primary products; as well as by international price stabilisation for such products.

8. Cuba is now virtually a Communist State. In addition to creating internal problems for Latin-American political leaders, Cuba's defection from the West has drawn Latin America into the cold war.

9. The possible establishment of bases or support facilities for Soviet submarines, missiles (and aircraft in Cuba and perhaps elsewhere in Latin America should the situation deteriorate) cannot be entirely discounted. There is therefore the possibility that Soviet submarines might be temporarily based in Latin America, thus causing a serious dispersal of the anti-submarine forces of the Alliance.

IV. WESTERN AFRICA

10. The confusion existing in some of the newly emergent powers of Africa and in some colonial areas is certain to be exploited by the Soviet bloc in the hope of establishing governing factions sympathetic to or wholly in support of the Communist world. In any event it should be noted that these attempts have so far met with serious difficulties. Geographically, the Soviets are badly placed for intervening in this area. Moreover, the quality of the technical assistance they have given to various countries has been far from satisfactory. Then again, the sometimes clumsy attempts made by the Soviets to penetrate into all fields have been followed by fairly strong reactions by countries jealous of their newly-acquired independence. Guinea is a case in point.

11. However, it is probable that the countries in this area will consider it to their advantage to adopt a neutralist policy, but the possibility, albeit remote, will remain throughout the period up to 1970 of the establishment of Soviet support facilities on the West African Coast, in exchange for material assistance or as a result of successful Communist subversion.

D. OTHER AREAS

I. THE FAR EAST AND SOUTH-EAST ASIA

1. Events in this area, the security of which depends on SEATO and a number of bilateral treaties, have an indirect but nonetheless important influence on the potential of the Alliance. Some member countries in fact have extensive commitments in the Far East and in South-East Asia, which might gravely impair their contribution to the Alliance.

2. The weight of Communist pressure in this area and the direction in which it is exerted must always be considered in the light of the degree of unity prevailing in the Sino-Soviet camp.

- (i) It is probable that, from now on, Communist China will play a more important part in international politics and that, in view of the doctrinal stand taken by its leaders, it will adopt a relatively more aggressive attitude than the Soviet Union in the Far East and in South-East Asia.
- (ii) It seems likely that the behaviour of Peking will depend on the extent to which the Chinese leaders are able to solve their economic and social problems.
- (iii) Communist pressure will, however, presumably be maintained or even increased. It will probably be exerted in the following directions:-
 - Laos, South Vietnam and Thailand
 - Formosa,
 - South Korea,
 - India

II. INDIA

3. India poses a number of special problems and its future will have a decisive influence on the course of events in Asia. The policy of neutralism pursued by the New Delhi Government appears to be firmly established. There are various natural obstacles to Communist expansion in India. The population is markedly nationalist in its sentiments and recent frontier incidents provoked by Communist China have tended to reinforce India's traditional mistrust of China. Furthermore, the efficiency of the administration has notably increased in recent years, and a tendency towards governmental centralisation has also emerged.

4. Accordingly, as long as the government is dominated by the Congress party and Mr. Nehru, it is unlikely that any important changes will occur.

5. On the other hand, if President Nehru, whose personal influence is very considerable, were to abandon power, various breakaway forces favourable to the development of Communism might then come into play; these forces are, however, mainly the result of economic and social factors.

6. Even if India achieves its target of doubling its per capita income between 1950 and 1975, this income, according to the most optimistic forecast, will not exceed \$100 a year in 1970. Furthermore, such a level presupposes an increase in the national income of at least 60% to 65% during the ten-year period 1960-1970. The 1961 census revealed that the "population explosion" is even more serious than the planners had forecast. Instead of an initial forecast of 465 million inhabitants in 1971, it is now estimated that the population of India will probably reach 555 million by that date. The maintenance of confidence in a democratic system of economic development depends on the success of the third Five-Year-Plan (1961-1966). It is clear that these minimum targets cannot be achieved without considerable outside assistance.

7. For the next eight years, India may well continue its development and policy more or less on present lines. It should be borne in mind, however, that according to official statements, India is tending towards "a type of Socialist society". The difficulties encountered by Communist China have not entirely destroyed the prestige of the Russian system of economic development, which continues to some extent to influence the trends of Indian planning. In the event, however, of a serious setback in the economic field, it cannot be ruled out that India might turn Communist, although this is less likely than the possibility that it might adopt the Communist model for economic development, without renouncing its present neutralism to go over to the Communist camp.

III. INDONESIA

8. The determination of the Indonesian Government to conquer, if necessary by force, the territory of Western New Guinea, constitutes a threat to the stability of South-East Asia. There is no indication that the military failures encountered by the Indonesian forces during the initial operations against New Guinea have in any way caused President Sukarno to modify his attitude.

9. At home, President Sukarno's position remains relatively sound, and he is still master of the situation in Indonesia. Nevertheless, it is possible that the position of the Communist Party will be strengthened by the conflict over New Guinea. Should Indonesia achieve its objective, Communist propaganda could claim that its success was largely due to the support given by the Communist countries. On the other hand, if the Indonesian attempt fails, the Communist Party could saddle the responsibility

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for failure on the Army, which is its main opponent. Moreover, although in the international sphere, the Djakarta Government has succeeded in maintaining its attitude of non-alignment with East and West, increased military supplies from Communist countries, together with the prosecution of the operations against New Guinea, may make Indonesia increasingly dependent on the Communist Bloc.