

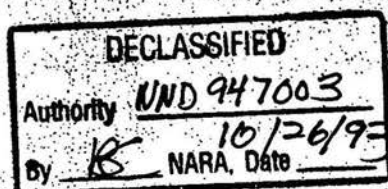
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## NATIONAL INTELLIGENCE ESTIMATE

#51

## SOVIET BLOC CAPABILITIES THROUGH MID-1955



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CENTRAL INTELLIGENCE AGENCY

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## SOVIET BLOC CAPABILITIES THROUGH MID-1955

### THE PROBLEM

To estimate Soviet Bloc capabilities through mid-1955.

### ASSUMPTION

No general war within the period of this estimate.

### CONCLUSIONS

1. There is no evidence that the basic economic and military strength of the Soviet Bloc, or the authority of the Soviet regime, have been weakened by developments since the death of Stalin. We believe it unlikely that appreciable weakening in these respects will occur during the period of this estimate. Despite the recent disorders in East Germany we believe that the USSR will be able to maintain effective control there and in the other Satellites. However, preoccupation with the succession to Stalin and bureaucratic confusion following the fall of Beria may lead to occasional uncertainty in Bloc tactics and hesitance in deciding on policy, both foreign and domestic.

2. Soviet economic growth will probably continue during the period of this estimate at a rate higher than that maintained in any major Western state, although the very great superiority of the West's total volume of production over that of the Bloc will in fact be slightly increased. There are various indications that the Bloc may in the near future de-

vote a somewhat greater proportion of resources to the production of consumers' goods, and a smaller proportion to the production of capital goods, than in the recent past. However, we believe it unlikely that the general trends of Bloc economic development which have been observed since 1945 will be significantly altered.

3. The most significant increase in Bloc military capabilities during the period of this estimate will arise from enlargement of the Bloc stockpile of atomic weapons, and from an increase in the number of its jet aircraft and its submarines. The Bloc may by mid-1955 have available a sufficient number of heavy bombers to increase greatly its air offensive capabilities. A limited number of all-weather jet interceptors may also be in operation, increasing Bloc air defense capabilities. We do not believe that marked changes in Bloc military strength and capabilities are likely to occur in other respects; however, there will be a general improvement in training and equipment of Bloc armed forces.

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4. On 8 August 1953, Malenkov announced to the Supreme Soviet that the United States no longer had a monopoly in the production of the hydrogen bomb. However, no Soviet explosion of a thermonuclear device has yet been detected. The Malenkov statement may have been pure propaganda, or it may have been inspired by the attainment of a specific stage of development short of an actual test. We believe that the latter interpretation is the more probable.

5. Bloc political warfare capabilities will remain great, especially in Iran and Indochina, but will vary in accordance with changes in world conditions and in each

country or region. Soviet Bloc capabilities for the more violent forms of political warfare, such as armed rebellion and guerrilla warfare, are greatest in the underdeveloped and colonial areas of Southeast Asia<sup>1</sup>; far less so in South Asia, the Arab states, and Africa. In Western Europe, particularly France and Italy, and in certain Latin American countries, Communist political warfare capabilities are considerable for sabotage, strikes, and the exploitation of economic difficulties. Nearly all areas are susceptible to some form of propaganda and diplomatic pressure, although such pressures would be more effective in Southeast Asia than in Western Europe.

## DISCUSSION

### FACTORS AFFECTING BLOC CAPABILITIES<sup>2</sup>

#### Political Factors

6. The relationships among top Soviet leaders since the death of Stalin are not yet clear. The arrest of Beria established the fact that there was sharp dissension within the highest Soviet leadership. It is not yet clear whether this dissension arose principally from a struggle for personal power or from differences over basic policy, nor whether Beria's fall has ended the dissension. There is no evidence that the authority of the regime has been weakened by events since Stalin's death, and we believe it unlikely that this authority will break down within the period of this estimate, or even be appreciably weakened. We are estimating Bloc capabilities on this basis.

7. Nevertheless, internal political developments since the death of Stalin, and especially the arrest of Beria, have almost certainly produced anxiety and perhaps some confusion in the Soviet bureaucracy. It is possible that Soviet and Satellite leaders will be preoccupied for a considerable time with the problems posed by the transfer of power.

These factors may produce occasional uncertainty in tactics and hesitancy in deciding on policy, both foreign and domestic. However, we do not believe that these factors will act to impair the basic economic and military strength of the Bloc. Nor do we believe that the Soviet rulers will cease to base their policy on their conviction of an irreconcilable hostility between the Bloc and the non-Communist world.

8. We believe that Soviet ability to maintain effective control in the European Satellites has not been impaired by anything that has happened since the death of Stalin. Soviet suppression of the riots in East Germany demonstrated the thoroughness of that control, while at the same time indicating that the Satellite governments themselves may be unable, without Soviet armed force in reserve, to maintain their populations in subjection to the will of the Kremlin. The possibility that the Satellite populations will be

<sup>1</sup> The current critical situation in Indonesia will be examined in an estimate now in preparation.

<sup>2</sup> For a more detailed account of this subject, see the Appendices to this estimate.

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encouraged to follow the example of popular resistance in East Germany may require the Soviet leaders to devote more attention and resources to the problem of control in the Satellites and thus somewhat reduce over-all Bloc capabilities.

9. The Chinese Communist regime has firm control over the territory which it administers. There is little likelihood of this control being threatened or shaken by domestic forces within the period of this estimate. The relations of Communist China to the USSR are more those of an ally than a Satellite. The alliance is based on a common ideology and at least a temporary community of interests which is not likely to be affected by changes in Kremlin leadership. We believe, however, that Mao Tse Tung may take the opportunity increasingly to pursue Communist China's own interests, possibly to the detriment of Soviet authority over Communism in that area. Termination of hostilities in Korea will make Communist China's economic and military dependence on the USSR less urgent, though this dependence will continue to limit Communist China's capacity for independent action.

### Economic Factors

10. The Soviet Bloc is self-sufficient in food, has a strong modern heavy industry, and possesses adequate supplies of nearly all the natural resources required further to develop its industrial economy. The economies of the Satellites are being progressively integrated with that of the USSR in the interests of promoting Bloc self-sufficiency and the growth of Bloc military production capacity. During the period of this estimate, the Soviet Bloc economy will be capable of supporting a major war effort.

11. The gross national product (GNP) of the Bloc will probably increase during the period of this estimate at an average annual rate of between 5 and 6.5 percent. The increase in the USSR alone will probably be at an annual rate of between 6.5 and 8 percent. This Soviet rate of growth will almost certainly be higher than the rate which the US or any major Western state will maintain. Never-

theless, the total output of the Soviet economy will remain much lower than that of the US, and the output of the entire Bloc will remain much lower than that of the NATO states. We estimate that Soviet GNP was about one-quarter to one-third that of the US in 1952, and that the GNP of the entire Bloc was about one-third that of the NATO states. These disparities in ratio terms may be reduced slightly during the period of this estimate, although the disparities in absolute terms will probably be widened somewhat.

12. The Bloc, and especially the USSR, will probably continue to concentrate upon expanding the industrial base. Growth of agricultural production will probably lag behind growth of industrial production. We estimate that about one-sixth of Soviet GNP is now devoted to military outlays, and that the proportion will probably remain at about this level through the period of this estimate.

13. There are various indications, however, that the Bloc may in the near future devote a somewhat greater proportion of resources to the production of consumers' goods, and a smaller proportion to the production of capital goods, than in the recent past. These indications are clearest with respect to East Germany and Hungary, but they are not lacking for the USSR itself. As yet they are insufficient to form a basis for an estimate that significant changes in over-all Bloc economic policy have occurred or are likely to occur. We believe it unlikely that any changes which may be made in Bloc economic policy will significantly alter either the basic emphasis placed upon development of heavy industry and military potential or the general trends of Bloc economic development which have been observed since 1945, and on which our present estimate of probable future Bloc economic developments is largely based.

### Military Factors

14. We estimate that the size of Bloc forces-in-being will not increase substantially by mid-1955. The program for increasing Bloc military strength will continue to emphasize modernization of the armed forces and enlargement of the atomic stockpile.

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15. We estimate that by mid-1955 the USSR will have a stockpile of approximately 300 atomic weapons (30-100 kiloton yield).<sup>3</sup> In view of our uncertainty concerning the production of fissionable materials, particularly uranium-235, the number of atomic weapons may be as low as 200 or as high as 600.

16. On 8 August 1953, Malenkov announced to the Supreme Soviet that the United States no longer had a monopoly in the production of the hydrogen bomb. However, no Soviet explosion of a thermonuclear device has yet been detected and we cannot be confident that a militarily significant weapon will have been achieved until such a test explosion has been conducted. We do know that basic research which may be related to the thermonuclear program is being carried on, and the USSR has a growing capacity for quantity production of materials which could be used in the development of thermonuclear weapons. Field testing of thermonuclear reactions based on disclosures or independent research may take place at any time. However, there is insufficient evidence to indicate the degree of priority assigned by the USSR to its thermonuclear program. The Malenkov statement may have been pure propaganda, or it may have been inspired by the attainment of a specific stage of development short of an actual test. We believe that the latter interpretation is the more probable.

17. The over-all capabilities of Bloc ground, naval, and air forces will almost certainly continue to increase during the period of this estimate as a result of the following factors: increases in the numbers of modern aircraft and naval vessels including submarines; increase in the number of atomic weapons; progressive

<sup>3</sup> We believe that weapons yielding 200-500 kilotons are probably within Soviet capability and that the USSR could make smaller weapons (as low as 5 kilotons). In the event that the USSR should choose to stockpile weapons of smaller or larger yield, the estimated number of weapons in the stockpile would be altered accordingly.

modernization and standardization of weapons and equipment, particularly those incorporating electronic guidance and control; increased combat efficiency of Communist Chinese and of at least some Satellite forces; and improvement of the Bloc logistical position including facilities and stocks of war material.

18. However, the Bloc armed forces will continue to be hampered by certain weaknesses: deficiencies in experience, training, and equipment for strategic air operations and air defense; lack of ability to conduct long-range amphibious and naval operations; and the logistic problems arising from the size of Bloc territory and the relatively inadequate road and rail network and merchant fleet.

19. The relative unreliability of Satellite armed forces is a factor detrimental to Bloc military capabilities. If political tension and popular resistance in the Satellites increase, the USSR may find the military usefulness of Satellite forces and Satellite territories greatly reduced.

#### BLOC MILITARY CAPABILITIES

20. We estimate that the Bloc now has the capability to undertake<sup>4</sup> concurrent large-scale operations in continental Europe, the Middle East, and mainland Asia. The Bloc could reinforce with Chinese Communist and Soviet forces the Communist forces now in Korea, and at the same time undertake<sup>4</sup> an invasion of Japan by Soviet forces.

21. Bloc naval forces (except for the ocean-going submarines, and new cruisers and destroyers) as now constituted are designed to protect Bloc coastal areas and the seaward flank of a ground campaign. However, the characteristics of the new construction now appearing, and the increasing coordination between Naval Aviation and the Fleet indicate a growing emphasis on offensive operations.

<sup>4</sup> No estimate of the success of these operations can be made without considering the effects of the actions of opposing forces.

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With respect to mine warfare, the USSR now has the capability of seriously interfering with Allied sea communications. In the European area, this effort could include all the ports and approaches of the UK and Western Europe. In the Far East, most of the vital Allied port areas and sea lanes around the perimeter of the Bloc could be similarly attacked. The Soviet Navy will have no long-range amphibious capability within the period of this estimate, but it will remain capable of mounting short-range amphibious lifts in considerable force. The Soviet submarine force will increase its capability to undertake offensive patrols and mining operations along most of the world's strategically vital sea lanes, and possibly, if the specialized craft have been developed, simultaneously to launch guided missile attacks against targets on both the Atlantic and Pacific seabords of the US.<sup>5</sup>

22. The USSR now has the capability to undertake<sup>6</sup> concurrent air operations against the US, the UK, continental Europe, the Middle East, Japan, and the offshore island chain of Asia. However, operations against the US would be much more difficult than those against the other areas. The USSR has the capability to reach all parts of the US and to attempt the delivery of its full stockpile of atomic weapons. However, even a stripped-down TU-4 could reach only the extreme northwestern corner on two-way missions without aerial refueling. Even with aerial refueling and other range extension techniques,<sup>7</sup> attack upon the northeastern industrial area and upon most of the principal strategic bases almost certainly would involve the expenditure of the attacking aircraft and most of the crews on one-way missions. Until it has a heavy bomber available for operational use, the USSR will not have the capability to reach

most of the strategically important areas in the US on two-way missions. A heavy bomber may already be in production and, if it be assumed that series production began in mid-1953, about 200 may be available by mid-1955.<sup>8</sup>

23. We estimate that the Bloc has the capability of providing vigorous opposition against air attacks on critical targets in the interior of the USSR, under conditions of good visibility. Under clear moonlit night conditions, Bloc defense capabilities are fair against piston bombers and negligible against jet bombers. Under conditions of poor visibility, day or night, Bloc interception capabilities are negligible.

24. Currently known trends point to an increase of Bloc air defense capabilities during the period of this estimate. It is estimated that improved airborne intercept (AI) equipment will come into operational use during this period. Although the future development and availability of guided missiles is obscure, surface-to-air missiles based on German designs could be available now or in the immediate future. A limited number of all-weather jet interceptors may be in operation by mid-1955. However, we cannot estimate the significance of these improvements relative to future air offensive capabilities.

#### BLOC POLITICAL WARFARE CAPABILITIES "

25. It is probable that Bloc capabilities for political warfare against the non-Communist world have been temporarily reduced by the transfer of power to new leadership in the Kremlin and by the evidences of top-level dissension which have accompanied the transfer. However, we believe that the weakness and confusion which have marked the operations of Communist political warfare in recent months will be overcome within a short time unless the authority of the Soviet rulers should be impaired to a greater degree than we have estimated is likely.

<sup>5</sup> We believe the USSR capable of adapting submarines to this use, but we have no evidence to indicate that such modifications have been made.

<sup>6</sup> No estimate of the success of these operations can be made without considering the effects of the actions of opposing forces.

<sup>7</sup> We believe that the USSR has the capability to utilize range extension techniques, but we have no evidence that any of these techniques have been exploited.

<sup>8</sup> For more detailed information, see SE-36/1, "Soviet Capabilities for Attack on the US through Mid-1955," 3 August 1953.

<sup>9</sup> For detailed discussion of Bloc political warfare strengths and weaknesses, see Appendix C of this estimate.

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26. Bloc political warfare capabilities will depend to a large degree not only upon the situation within the Bloc but also upon the success with which the non-Communist world meets the challenges to its stability which would exist even if there were no Communist threat. Thus Bloc political warfare capabilities would increase if the economic situation in the non-Communist world should deteriorate; if nationalist antagonism in Western Europe should be intensified; if conflicts between the US and its allies should undermine the program for improved Western defenses; and if nationalist movements in colonial areas should stimulate rebellions against the Western Powers. Bloc political warfare capabilities would decrease if the non-Communist world during the period of this estimate should avoid the dangers arising from problems such as these.

27. The relative military strength of the Bloc and the West is also a factor influencing political warfare capabilities. Increase or decrease of over-all Bloc military strength relative to that of the West would almost certainly produce some corresponding increase or decrease in Bloc political warfare capabilities. Fear of war and consequent vulnerability to Bloc political warfare would probably grow rapidly in some parts of the non-Communist world if it became widely believed that the Bloc's capabilities in atomic warfare had significantly increased relative to those of the West. This vulnerability to political warfare would be accentuated if it were widely believed that the Bloc had markedly improved its air defenses relative to Western offensive capabilities.

28. Finally, Bloc political warfare capabilities will be determined to a great extent by the impression which the non-Communist world forms of the general character of Bloc policy. The new leadership in the Kremlin might, for example, resume the Stalinist policy of obvious and aggressive hostility to the West, probably hoping thereby to insure the unity of the world Communist movement and to promote fear and despair among non-Communist peoples. On the other hand, the Kremlin may attempt by acts as well as by propaganda to

persuade the non-Communist world that its basic policies are conciliatory and non-aggressive — that a fundamental change has in fact occurred with the passing of Stalin. The Kremlin might thus expect to attain some of its objectives by promoting complacency rather than fear among Western peoples. It might hope that such a course of action would, among other things, tend to weaken the cohesion of the NATO alliance and reduce the level of defense expenditures which Western peoples will be willing to support.

29. Bloc political warfare capabilities vary greatly throughout the world. We believe that during the period of this estimate Communist capabilities to establish Communist governments by political warfare techniques will be greatest in Indochina and Iran. In other areas of the world, Communist capabilities to influence the attitudes of peoples and the policies of non-Communist governments will constitute the principal danger posed by Bloc political warfare.

### Western Europe

30. Various issues arising out of the German problem can be exploited by the USSR to divide the Western Powers and to undermine Western defense programs. So long as Germany remains divided, agitation of the German unity question will remain an effective weapon of Bloc political warfare, both in Germany and in Western Europe. If Western Germany is brought into the Western coalition, or if Germany is reunited and is not brought into the Western coalition, the German problem would continue to offer the USSR opportunity for creating dissension and friction.

31. The Communist parties of France and Italy are the only Communist parties in Western Europe that have significant capabilities for political warfare. During the period of this estimate these parties will probably not be able to gain participation in the governments or otherwise to acquire direct influence over national policy. On the other hand, given the strong social discontent within these countries, the voting strength and mass followings of the Communists will probably be maintained at approximately the present levels.

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They will therefore retain a capability to harass governments, to confuse opinion, and to discredit parliamentary institutions. Moreover, this capability would be magnified if the centrist parties lose strength to the right and non-Communist left, thus increasing governmental instability.

32. In Western Europe generally, but particularly in France and Italy, Bloc capabilities for economic warfare<sup>10</sup> and for political action would increase sharply if there should be any serious decline in the level of economic activity. Communist-controlled labor unions which at present are unable to lead the mass of workers into political strikes would recover this capability. In these circumstances, Bloc economic pressure, which is not now an important aspect of Bloc political warfare, could become increasingly effective. However, unless the Bloc changes its basic economic policy, it will not be able within the period of this estimate to provide markets for large quantities of non-strategic goods. In any case, the Bloc will be unable to supply a significant proportion of the goods for which Western Europe is now dependent on overseas sources. As a practical matter, therefore, the Bloc lacks the capability to bring about a major shift in present trade patterns. However, a relatively small increase in the volume of trade which certain countries now carry on with the USSR could have an appreciable economic effect in those countries and possibly a more significant psychological effect.

### Southeastern Europe

33. Bloc political warfare capabilities will remain negligible in Southeastern Europe. The inclusion of Greece and Turkey in NATO and the recently concluded Ankara Pact between Turkey, Greece, and Yugoslavia have reduced greatly the political effectiveness of Bloc military strength in this area. Moreover, we believe that the Bloc will be unable, through conciliatory tactics and a normalization of relations, to reverse the Western orientation of these states.

<sup>10</sup> Studies are currently in progress in preparation for NIE-100, "Soviet Bloc Capabilities for Economic Warfare," scheduled for publication in November 1953.

### Middle East and Africa

34. During the period of this estimate Bloc political warfare in the Middle East and North Africa will be favored by the continuation of strong nationalism, political and social turmoil, and economic dislocation. The situation will be most favorable to Communism in Iran. In Egypt and Syria, the military governments in power will probably limit Communist capabilities. In the Middle East generally the Bloc will find it difficult to develop effective instruments of political warfare out of the local Communist parties. The Bloc could intensify Middle East tensions by anti-Western propaganda, by providing some support to either side in the Arab-Israeli conflict with Israel, or by releasing large numbers of Jews for emigration to Israel. It might increase neutralist sentiment and create some good will by offers of trade and military assistance. Communist capabilities in North Africa are relatively significant already because of the influences which can be exerted in that area by the French Communist Party, and may increase if nationalist antagonism to France grows. Other parts of Africa appear to offer some of the same opportunities to Communism as the Middle East and North Africa, though they are comparatively untried territory.

35. The Communists will continue to have substantial capabilities for political warfare in Iran during the period of this estimate. Under conditions of continuing political instability, the Tudeh Party may develop the capability to gain control of the government either through violent or non-violent means. Soviet moves toward an improvement of diplomatic and economic relations could weaken traditional Iranian distrust of Russia and facilitate Communist infiltration.

### South Asia

36. Bloc political warfare is unlikely to alter Pakistan's Western orientation or the neutralist position of other countries of the area in the East-West conflict. The Indian Communist Party may increase its strength, though not sufficiently to endanger the Congress Party's control of the central govern-

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ment. In the other states of South Asia, the Communist parties will probably not be a serious factor. Afghanistan will remain sensitive to Bloc military and economic pressure, and Ceylon may become subject to economic pressure if it continues to readjust its trade pattern to attractive offers made by Communist China.

### South-east and the Far East

37. The Communists will continue to have substantial capabilities for political warfare in the countries of Southeast Asia, with the probable exception of the Philippines. The political fate of most of this region may be decided in Indochina. Communist capabilities for supporting the armed rebellion in Indochina will probably continue to increase. In Burma, Communist capabilities for conducting guerrilla raids and for assisting other dissident groups are small at present. However, if the Chinese Communists furnish extensive military support, these capabilities would increase, becoming a serious threat to the government's position. Thailand is probably not vulnerable to Communist subversion in the absence of strong external Communist pressure. If, however, the Communists should establish a position of strength in Indochina along Thailand's borders, Communist capabilities for subversion would considerably increase, particularly among the Vietnamese in northeastern Thailand. In Indonesia, the Communist Party is represented in Parliament, controls the dominant labor federation, and has infiltrated the armed services, the police, and the bureaucracy. It will be capable of harassing the government through political action, sabotage, and strike activity." Communist capabilities for economic warfare may increase in Southeast Asia as a result of the Korean truce.

"The current critical situation in Indonesia will be examined in an estimate now in preparation.

38. Bloc trade offers to Japan will almost certainly become more powerful weapons of political warfare following the truce in Korea, particularly if markets in the non-Communist world should become less accessible to Japanese exports. Bloc diplomatic moves toward resolving outstanding issues, such as repatriation of Japanese POW's and Soviet occupation of former Japanese islands, and toward restoring normal diplomatic relations could be employed in attempts to undermine Japan's present pro-Western orientation. The Japanese Communist Party (JCP) will continue to be able to exploit anti-US feeling and Japanese nationalism, but not to the extent of undermining the US-Japanese alliance. The JCP will retain some capability for espionage, sabotage, and subversion, but will not be capable of threatening internal security.

39. Communists will retain capabilities for espionage, subversion, and sabotage in South Korea and for stimulating anti-US sentiment. These capabilities will probably be proportional to the degree of Communist military strength remaining in North Korea and Manchuria.

### Latin America

40. The Communists in all major Latin American countries will retain a capability for sabotage, for strikes, for spreading Bloc propaganda, and for stimulating anti-American sentiment in nationalist, intellectual, and organized labor groups. These capabilities would increase if there should be economic stagnation or a decline in the level of economic activity in Latin America. In Guatemala, the only country in Latin America where the Communists have power within the government, they are almost certain to maintain and may increase their influence. All the major countries of Latin America will remain susceptible to Bloc trade offers.