CENTRAL INTELLIGENCE AGENCY

INTFILIGFNCE MEMORANDUM NO. 302

21763

8 July 1950

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SUBJECT: Consequences of the Korean Incident

I. Soviet Purposes in Launching the Northern Korean Attack.

A. Apart from immediate strategic advantages, the basic Soviet objectives in launching the Northern Korean attack probably were to: (1) test the strength of US commitments implicit in the policy of containment of Communist expansion; and (2) gain political advantages for the further expansion of Communism in both Asia and Europe by undermining the confidence of non-Communist states in the value of US support.

B. The Soviet estimate of the reaction to the North Korean attack was probably that: (1) UN action would be slow and cumbersome; (2) the US would not intervene with its own forces; (3) South Korea would therefore collapse promptly, presenting the UN with a fait accompli; (4) the episode would therefore be completely localized; and (5) the fighting could be portrayed as US-instigated South Korean aggression and the North Korean victory as a victory of Asiatic nationalism against Western colonialism.

II. Probable Developments from the Korean Incident.

There are at present four major alternative courses of action open to the USR. They are not mutually exclusive courses of action. In particular, it is estimated that the USSR is very likely to try to prolong the fighting in Korea(alternative "B" below) for the short rum and then within a few weeks or months, if conditions appear favorable to Soviet leaders, shift to the more aggressive course of creating similar incidents elsewhere (alternative"C" below). The alternatives are examined not in order of probability, but in order of increasing risk of global war and increasing expenditure of effort on the part of the USSR:

<u>Alternative A.</u> The USSR may localize the Korean fighting, permitting US forces to drive the North Koreans back to the 38th Parallel and refrain from creating similar incidents elsewhere. In the meantime, the USSR would remain uncommitted in Korea and would develop the propaganda themes of US aggression and imperialistic interference in domestic affairs of an Asiatic nation.

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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1. This alternative is the most cautious course for the USSR to take. Its adoption would indicate complete surprise at the US reaction to the Korean incident and would suggest strongly that the USSR was unwilling to run even a minimum risk of provoking a global conflict involving the US and the USSR.

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2. US prestige and political influence would be substantially augmented, particularly with Western European allies and other nations aligned with the US.

3. Soviet prestige and influence would be damaged, but there would be compensations in the form of secondary political gains that would accrue as a result of:

(a) promoting the "peace campaign" and portraying the US as military aggressor;

(b) exploiting the theme of Asian nationalism versus Western imperialism:

(c) maintaining the North Korean and Chinese Communist threat to South Korea as an embarrassment to development of a constructive US or UN policy in Korea.

4. This alternative course of action is unlikely; Soviet advantages would be secondary, comparatively long-range, and intangible, while Soviet disadvantages would be immediate.

<u>Alternative B.</u> The USSR may localize the Korean fighting, still refrain from creating similar incidents elsewhere, but in order to prolong US involvement in Korea, give increasing material aid to the North Koreans, perhaps employing Chinese Communist troops, either covertly or overtly. The USSR would remain uncommitted in Korea and would develop the propaganda themes of US aggression and imperialistic interference in domestic affairs of an Asiatic nation.

1. This alternative is a moderately cautious course for the USSR to take. The USSR would probably consider that its adoption would involve only a slight risk of provoking a global conflict involving the US and the USSR.

2. US prestige would be seriously damaged if the USSR succeeded in prolonging the incident in this way. Western European allies and other nations aligned with the US would question the immediate military value of US commitments even though expecting them to be honored.

3. Soviet prestige would be sugmented if the fighting in Korea were prolonged without an open Soviet commitment.

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4. The USSR would obtain appreciable secondary, comparatively long-range gains in political influence as a result of promoting the "peace campaign" and portraying US as imperialistic Western aggressor in Asia, unless successfully countered by a US "Truth" campaign.

5. Deep involvement of US military forces in Korea would seriously limit US capabilities to support similar commitments elsewhere. Moreover, the Jestern European allies of the US would feel dangerously exposed for some time (even if the US began a partial mobilization for war).

6. The USSR probably will adopt this alternative course of action at least for the short run, since there would be few Soviet disadvantages or risks and the Soviet gains would be appreciable.

7. This alternative will appear especially attractive to the USSR because at any time, if conditions appeared favorable to Soviet leaders, the USSR could shift to the more ambitious program (alternative "C", immediately below), in which alternative "B" would merely be a first phase.

Alternative C. The USSR, while attempting to prolong the fighting in Korea as in alternative "B", may also attempt to disperse and perhaps overstrain US military forces-in-readiness by creating a series of incidents similar to the Korean affair. Without directly and openly involving Soviet forces, such incidents could be created in Formosa, Indochina, Burma, Iran, Yugoslavia, and Greece. The effects of such incidents could be aggravated by renewed pressure on Berlin and, possibly, Vienna.

1. This alternative would be a comparatively aggressive course for the USSR to take. Its adoption would indicate willingness to run an appreciable risk of provoking a global conflict because of the possible US reaction. The USSR could easily turn to this alternative at any time, but it is not likely to turn to it until the USSR has fully analyzed the implications of the US commitment in Korea.

2. Having employed its armed forces in support of its commitment in Korea, the US will have to honor similar commitments or lose most of the advantages of the policy of supporting the Korean commitment.

3. The US does not have the military forces-in-readiness to honor its commitments with US military forces and equipment in many areas other than Korea (perhaps none) without a substantial increase in US military forces and industrial productivity in the military field, bringing about what would amount to at least a partial (as distinguished from a general) mobilization for war.

4. Deep involvement of US military forces in the Far East or Near East would leave Western Europe even more dangerously exposed than at present.

5. At some point further Korean-style incidents (requiring the commitment of US forces to stabilize the situation) presumably would force the US to adopt one of the following alternatives:

(a) revise the policy of general containment by limiting US commitments and by planning to combat Soviet aggression only at those selected points where existing US military strength would permit;

(t) begin partial military and industrial mobilization in an attempt to enable the US to combat any further Soviet-sponsored aggression anywhere in the world; or

(c) begin total mobilization to enable the US to threaten to meet any Soviet or Soviet-sponsored aggression with war against the USSR.

6. The USSR probably will adopt alternative "C" sooner or later if Soviet leaders do not estimate the risk of global war involved to be substantial or are prepared for a global war if it develops.

7. If Soviet development of this alternative course of action leads to a general US mobilization, it appears at this time that the USSR probably would in that event continue limited aggressions, accompanied by the customary "peace" propaganda, discounting actual US initiation of a general war and perhaps estimating that the political and economic strains of mobilization would weaken or discredit the US and its foreign policy. The USSR, however, may:

(a) desist from further aggression of the Korean type, fearing a global war and taking mobilization as an indication of greater risk than Soviet leaders had anticipated in choosing this course of action; or

(b) expecting US-initiated global war, attempt to seize the initiative by immediately attacking the US (in effect turning to alternative "D", below).

Alternative D. The USSR may consider US intervention in Korea cither as the prelude of an inevitable global war or as justification for beginning a global war for which it is prepared—in either case immediately attacking the US and its allies.

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1. Nothing in the Korean situation as yet indicates that the USSR would deliberately decide to employ Soviet forces in direct military action precipitating global war. Such a decision is unlikely if, as now seems probable, Soviet leaders believe that:

(a) there are continuing opportunities to expand Soviet influence by the comparatively cheap and safe means of Soviet-controlled Communist revolutionary activity (including propaganda, sabotage, subversion, guerrilla warfare, and organized military action by local Communist troops---as in Korea), which can be supported by Soviet diplomacy and the more threat of Soviet military strength-in-readiness; and

(b) there is substantial risk involved for the USSR in the global war that almost certainly would ensue from direct military action by Soviet forces.

2. The USSR would appear to have little reason to be pessimistic about gains by methods short of global war, particularly by adopting the courses of action described in Alternatives "B" and "C" above.

3. The USSR is unlikely to choose the alternative of deliberately provoking global war at this time in view of: (a) the general superiority of the US and its allies in total power-potential; and (b) the fact that the present Soviet atomic capability is insufficient to neutralize US atomic retaliatory capabilities and to offset the generally superior power-potential of the US and its allies by interfering with the US military and industrial mobilization.

III. Effects of a Failure of US Forces to Hold South Korea.

A. The immediate consequences of a failure to hold South Korea would be a damaging blow to US prestige with loss in political influence greater than the loss that would have been incurred if the US had not undertaken to support its moral commitment in South Korea.

B. The US would be confronted with a choice between two undesirable alternatives: (1) accepting the loss of US prestige; or (2) attempting to regain as much prestige as possible by committing substantial US military resources in a difficult and costly invasion of an area which is not of primary strategic importance to the over-all US military position. In either case US foreign policy and military capabilities would be discredited at home and abroad.

C. If US forces were expelled from Korea, the USSR would probably adopt alternative "C" as described above (Section II). It might be tempted, however, to postpone further aggressive action elsewhere until it had determined whether, as a result of the loss of world confidence in the effectiveness of US aid, other areas might not be brought within its sphere of influence through intimidation alons.

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