

~~SECRET/EYES ONLY~~INFORMATION

## MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: CIA Report: "The World Situation in 1970"

You raised certain questions in connection with this CIA report; this memorandum comments on these questions.

1. Weakness of Soviet Military Forces in the Western USSR

This CIA paper suggests that the Soviet build-up of military forces along the Sino-Soviet border has absorbed resources which would otherwise have gone to Soviet forces in Western Russia and that these latter forces are consequently inadequately supplied.

I think this conclusion is probably somewhat overdrawn. It is true that some 30 Soviet divisions have over the last several years been diverted to the Chinese border regions. Twelve of these are at the highest state of readiness and much of the equipment is of the most up-to-date type. Divisions in the Far East have unusually strong artillery support and some of the equipment has not even appeared in Soviet units in East Germany, which are among the best and most ready the Soviets maintain. One reason why Soviet forces adjacent to China are so well stocked is that they are deployed at the end of long lines of communication and in an emergency could not be rapidly brought up to highest readiness status.

CIA's assumption is that if it were not for the China problem, Soviet forces on the "western front" would be getting all or most of the resources now going east. Unfortunately, we do not know enough about Soviet resource decisions or arguments within their leadership to be able to accept this assumption with complete assurance. The Soviets have other demands on their resources, including from their strategic forces, and it is therefore at least conceivable that some resources now going to the east would not necessarily have been allocated to the western forces. Unless the Soviets were deliberately planning to attack Europe (or expected an imminent NATO attack) and therefore wanted to build up their western forces to complete readiness, they would have no great compulsion to keep all their divisions in the western USSR at a high pitch of readiness.

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At present, they maintain 31 combat ready divisions in Eastern Europe. Some 12 additional ones at or near combat readiness are further back, in the Western USSR. Numerous additional divisions in the Western USSR would require a great deal of build-up over periods ranging from weeks to months before they were combat ready. If it were not for China, there would probably be fewer of these low-readiness units and all Soviet forces might have somewhat better and newer equipment. But it is doubtful that the Soviets would maintain in constant readiness, at top manning and equipment levels, the 80-90 divisions generally thought to be needed for an attack westward.

China has undoubtedly served to complicate any Soviet planning for attack against the West; but it has not prevented the Soviets from maintaining large forces in the west, useful both to suppress dissidents, as in Czechoslovakia, and to remind Western Europe of the close proximity of Soviet power. Of course, even more relevant in the latter respect is the large Soviet MR/IRBM forces pointed at Europe. The demands placed on Soviet resources by the Chinese front may have had some effect in slowing the modernization of the MR/IRBMs; but this makes little or no difference to the West Europeans.

West European detente-mindedness is not so much a function of the precise military posture the Soviets maintain, as of the expectations people have of Soviet intentions. In this regard, many Europeans now feel that the Soviets are so pre-occupied with China that they want quiet in the West. Some Europeans also question our readiness to resort to nuclear weapons in defense of Europe and therefore want, through detente, to lessen the likelihood of Soviet attack, or of crises that might lead to war. The Soviets have of course encouraged this mood by their proposals on "European security" and by intensified contacts of all kinds with West European countries.

It is unlikely that even if Soviet forces were somewhat better off than they are today, these West European attitudes would be much different under present circumstances.

2. Can We Do More in Eastern Europe to Take Advantage of the Changing Situation?

By your Romanian trip and the policy associated with it, you have signaled your readiness for improved relations with the countries of Eastern Europe. Your Foreign Policy Statement points out that the pace for such improvement should depend on what the East Europeans themselves think the traffic will bear. This is an important qualification because we have no interest in arousing the Russians to clamp down. Some minor gradual improvements in relations with Hungary and Poland are possible but realistically we cannot expect any of the East European countries to go as far as Romania at present. But we have taken a major step in indicating that if and when they are ready for bona fide and reciprocal improvements, we will be receptive.

A sober attitude on our part toward the Soviet Union will also help us in Eastern Europe, because, like others, the people there would find a grand US-Soviet love-match discomfoting. For them it would mean that we had written them off and underwritten the Soviet sphere of influence. It is characteristic of the Soviets that in the past they have used both the extremes of an alleged threat from the US and of alleged prospects for a grandiose US-Soviet deal to try to frighten the East Europeans into submission. We have to operate in the middle ground between the two.

In sum, I think our general policy approach as now enunciated and implemented is best calculated to promote the gradual growth of greater autonomy in Eastern Europe. Later, we might consider selective relaxation in our economic policies, and more intensive contacts, including at high levels of government. We must also make a constant, though tactful, effort through NATO to keep the Western allies generally on the same policy lines toward Eastern Europe. In time, the new Committee on Challenges of Modern Society might be one means of developing relations with those Eastern countries that are ready to participate.

### 3. A New Look at Radio Free Europe.

It is my understanding that evaluation of RFE in 1969 indicated that it continues to enjoy a sizeable audience in Eastern Europe. Many people regard it as the most reliable and comprehensive source of information. The regimes are of course unhappy with it, as are the Soviets. Funding for Fiscal 1971 will remain at [REDACTED] and will not allow some of the modernization that RFE and CIA felt desirable to maintain the quality of service. It might be appropriate to consider a small additional sum of money if it turns out that the service is running down. I believe that in connection with the Fiscal 1972 budget a complete and independent review of RFE's activities and effectiveness should be undertaken. This could well begin by mid-spring.

There have been occasional suggestions from the Germans that RFE should be moved from the FRG's territory because it might interfere with "Ostpolitik." This has not been raised lately but it is a worrisome contingency that we may have to face and should examine.

#### 4. Increased Exchange Programs.

There is no question that as regards the East European countries increased exchanges of various types can over time help to reinforce trends favorable to us. We must however be careful not to press prematurely because the regimes are suspicious and fear Soviet reactions. They also are skillful in obstructing contact with their population and otherwise constraining the activities of our people. However, many private US institutions and individuals maintain contacts, exchange visits, and engage in various projects, and the Administration should encourage this kind of activity. It will be to our advantage to demonstrate that Romania is benefitting most (apart from Yugoslavia) from contact with us because this will show the practical advantages of good relations with us.

As regards the Soviets, we still face an extremely restrictive approach on the part of the Soviet leadership. The Soviets are eager to send people here to earn dollars or learn from our technology; our biannual exchange agreements (the latest one was just negotiated) guarantee us some degree of reciprocal access by our people to the Soviet scene. Without such agreements the Soviets would never grant us this and exchanges would be largely a one-way street. At best, exchanges with the USSR will grow slowly because of the attitude of the Soviet rulers, but we should keep up the pressure for steady expansion. Opinions in the West differ, but there may well be at least a marginal impact in breaking down Soviet prejudices even from the limited programs we are able to conduct.

In your recent conversation with Ambassador Beam you agreed to arrangements for reciprocal visits of government officials. Over time, it cannot harm us and may help if the new generation of Soviet leaders sees some of our accomplishments (and, for that matter, some of our problems and the way we tackle them).

We must, however, not oversell the exchange program. Its effect will at best be extremely gradual; and any boasting about its impact on Soviet attitudes may provide the most rigid among the Kremlin leaders a pretext for scuttling the program.

This is also an area where some coordination and exchange of experience with the Allies and Japan could be helpful.

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5. Increased Trade with the Communist Countries

Four general premises should be borne in mind in considering the effect increased trade might have on our relations with the Communist countries, or any other countries:

- Increased trade has greater effects over time than in any given year (such as 1970).
- The increased interdependence of the world economy, coupled with the continued independence of national policies, has, however, raised the sensitivity of all countries -- including Communist countries -- to trade to its highest point in history.
- Trade policies, as contrasted with trade itself, can have significant effects in any given year.

As with other countries, we could use trade policy more actively to promote our foreign policy objectives with the Communist countries. At a minimum, we must be careful that it does not seriously impede achievement of those objectives.

Trade per se will always be marginal in our dealings with the Soviet Union, though it could be relatively more important with other countries including China. Our trade with Eastern Europe and the Soviet Union is now about \$200 million in each direction, about twice the volume of 1962. This amounts to well under one percent of our total trade. Even if we relaxed our export controls and the grain shipping requirements, and granted most favored nation treatment, it is unlikely that the actual volume of trade would in the next two or three years more than double to \$400 million in each direction.

The prospects for trade with China are even smaller. A recent private study for the National Committee on U. S. - China relations arrived at the conclusion that the high estimate for our trade with China was about \$250 million in each direction. Thus, even with these fairly optimistic assumptions, our trade with the Communist world would be only about two percent of our total trade.

However, it is clear that virtually all the Communist countries badly want increased trade with the United States. We could thus significantly

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improve our relations with them by encouraging increased trade. (The resulting trade would be of much less importance than a U. S. decision to foster its development.) Conversely, a tightening of our present controls would clearly display disapproval of their policies. Differential treatment of different Communist countries is of course an important variant on either the positive or negative themes.

6. Raising Food Production

In response to your comment the Secretary of Agriculture in coordination with the Secretary of Defense and other appropriate agencies has been directed to initiate a study designed to determine what world-wide population could be supported if world food production could be raised to the level currently achieved through U. S. agricultural methods. The results are due on April 6, 1970.

Retyped JTH:mlc (2-5-70)



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

January 26, 1970

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger /K

SUBJECT: CIA Assessment of the World Situation in 1970

The attached report is a CIA effort to provide a balanced assessment of the world situation at the beginning of the decade. The document considers the communist situation, the U. S. position, problems in the exercise of power, the nature of the contest and developments which may complicate international relations in the 1970s. The report indicates, inter alia, that:

-- The impression that the USSR's world position is improving while that of the U. S. is weakening does not take full account of communist failures and is based on an over-simplified view of the contesting forces in today's world.

-- The Soviets are tempering ambitions to enhance their global position with sober estimates of feasibility. There has been a shift toward the view that it is possible to arrange with the United States some sort of stabilization in Europe, the Middle East, the arms race and even Asia.

-- In responding to its changed world position, the U. S. problem is to find the best ways of combining restraint with the firmness required by national security. Our military capability is undoubted. What the Soviets, Chinese and our allies could come to doubt is U. S. willingness to use its military capability.

-- There are strong rational reasons why great powers will be more prudent about the exercise of power and accepting additional commitments.

-- Because of the complexity of international relationships, a loss of U. S. influence in one arena is not necessarily a gain for the USSR, China, or some other competitor.

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-- Developments such as urbanization, anti-establishmentarianism, ethnic and racial conflict, radical nationalism and technical change may alter the world political order.

The CIA report will be given careful consideration in preparation of your Annual Foreign Policy Review.

- ① What about page 5 - weakness of West E. forces?
- ② Can we do more to cause trouble in E. Europe?
  - ① Query a new ~~look~~ look at Radio Free Europe?
- ③ Increase Exchange Trade?
- ④ Effort Farm Know how Study World & give an appraisal of what could be produced.

4-70

CONFIDENTIAL

JAN 26 1970

MEMORANDUM FOR

THE HONORABLE RICHARD HELMS  
DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: The World Situation in 1970

Your excellent report describing the world situation as we begin a new decade is most thought-provoking. I know the President will find it very interesting and we will make use of your paper in developing the President's Annual Review of Foreign Policy.

(Signed) HENRY A. KISSINGER

Henry A. Kissinger

HAK:TL:JH:srl:1-21-70

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

9 January 1970

MEMORANDUM FOR: The President

1. Following up on one of the themes you raised during our talk at Camp David in October, I thought you might find it useful at the beginning of the New Year to have a paper from the Agency taking a look at the world situation. Accordingly, I asked that the attached document be written. It is not a coordinated intelligence community publication although the senior officers and analysts of the Agency generally agree with its thrust. This is not to say that fault cannot be found with some assertions on such a large subject, but it is to point out that we have made a serious effort to give a balanced picture of the world scene as we see it at the beginning of this decade.

2. The Secretary of State has been given the only other copy of this document.

A handwritten signature in cursive script, appearing to read "Dick".

Richard Helms  
Director

Attachments - 2  
The World Situation in 1970

CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

9 January 1970

MEMORANDUM

The World Situation in 1970

Including an Examination of the  
US and Soviet World Positions

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Urbanization  
 Anti-Establishmentarianism  
 Violence  
 Ethnic and Racial Conflict  
 Radical Nationalism  
 Technological Change  
 Coping with Complexity and "Bigness"  
 Establishing a Community of Understanding

GROUP 1

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downgrading and  
declassification

C E N T R A L I N T E L L I G E N C E A G E N C Y

OFFICE OF NATIONAL ESTIMATES

MEMORANDUM

The World Situation in 1970

Including an Examination of the  
US and Soviet World Positions

I. INTRODUCTION

1. A number of developments of the past several years would seem to have improved the Soviet world position and weakened that of the US. For example, the USSR is surpassing the US in numbers of ground-based intercontinental missiles; it is rapidly building up its force of ballistic missile submarines and challenging US naval supremacy in certain waters. It has gained political influence in the Arab world and political entree to other areas previously barred to it. It appears to have survived the opprobrium of the Czech invasion very well indeed; the new West German government is seeking improved relations with the USSR and its neighbors

GROUP 1

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in Eastern Europe, and the West European states are responding favorably to Soviet approaches for a European security conference. While Soviet intellectuals continue to harass the Soviet system, the regime seems to have demonstrated both the will and the capacity to slap down dissension at home.

2. On the other hand, the US might seem to be faltering in its hold on power. Military and foreign aid appropriations are being reduced; new military programs are the subject of serious political controversy, even when US military supremacy is being challenged by on-going Soviet programs. US political predominance in Latin America has slipped and may slip more; US political influence in the Eastern Arab world is minimal; the US remains the major external factor in Western European political, economic, and military affairs, but the West Europeans are more prone than before to pursue their own national or regional interests and to subject US policies to close scrutiny. The US is engaged in the delicate policy of withdrawing from Vietnam while trying to preserve in Southeast Asia the objectives of its intervention. Meanwhile, the US must seem to the

outside world to be in political and social turmoil, uncertain of how to cope with problems of crime, dissent, inflation, poverty, etc., and unable to articulate generally accepted national goals.

3. On the face of it, these considerations add up to a gloomy picture, but they are not the whole story. They do not take full account of the weaknesses and failures in the Soviet Union and in the Communist world, but -- most important of all -- they are based upon an over-simplified view of the contesting forces in the world today. They invoke a definition of the cold war which no longer corresponds to reality. Power and influence are not to be measured simply by the ebb and flow of international politics or by some current phase in the inevitable challenge and response of domestic social change. The problem is one of perspective.

## II. THE COMMUNIST WORLD

4. The paramount concern of the United States is its relationship with the USSR. This is true, not only because the USSR alone possesses the military power to

do us real harm, but also because the Communist world as a whole has lost its capacity to act or even speak in a unified fashion. In short, the Communist world is replete with trouble. It is not necessary here to do more than list some of the problems: China and USSR almost totally at odds on everything, and China fearing a Soviet military attack; North Korea run by a self-anointing, intractable dictator scornful of Soviet tutelage; Tito still defiant and experimenting with new forms of socialist polity; Eastern Europe a hotbed of nationalism with emerging tough leaders who care less about communism than about power and independence and who do not intend to make Dubcek's mistake and give the USSR cause to intervene; the East Germans the kind of friends the Soviets might happily exchange for less difficult enemies; the Italian (and to a lesser degree, the French) Communist Party openly disagreeing with Soviet policy and openly divided over doctrine and tactics; Castro a costly, recalcitrant, and inefficient satrap whose dreams of Cuban economic success at home and revolutionary success abroad are turning to dust; the many Communist parties around the world which have found either that they must remain small, ineffective, and ridiculous, or become bourgeois in



method -- and almost in doctrine -- if they hope to gain a place in their nations' political life.

5. As a consequence, the Soviet leaders have had to devote an increasing proportion of their time, energy, and resources to trying to maintain a semblance of order in their own camp, and they are not having a great deal of success at it. For example, the military build-up against China has absorbed resources which otherwise would have been devoted to the improvement of their out-of-date and inadequately supplied forces in the Western USSR. International Communist conferences designed to show that the Communist world is not falling apart suffer delays, postponements, and then dissenting opinions and abstentions on final resolutions anyway.

6. In many areas outside the Communist world, the USSR has not done very well either, and seems to be narrowing both its activities and its hopes. Its foreign aid and subversive activities have converted no nations to communism; some -- such as Ghana and Indonesia -- have even become anti-Communist; some -- such as Syria -- have become problem children. In two major nations, India and Indonesia, Soviet arms shipments have even made our

problems easier; they strengthened India against China, and they better enabled the Indonesian armed forces to liquidate the Indonesian Communist Party. The USSR has expanded its diplomatic and commercial contacts around the world, but it has found its efforts in some countries (Tanzania and Yemen, for example) challenged by the Chinese Communists. And in some places, such as Congo Kinshasa and the Ivory Coast, its diplomatic and cultural missions have been severely restricted or asked to leave. There has been a surge of nationalism in nearly every part of the world, and ardent nationalists don't make the kind of Communists the Soviets like.

7. Indeed, it is far from clear that the leaders of the Soviet Union are actually trying to build up a Communist empire, whatever Soviet rhetoric may proclaim. Competition and movement under Khrushchev have given way to preservation and safety under his successors. Many of their activities have been defensive; to restore their position among the Arabs after failing to come to their aid in 1967, to preserve influence in India after the antics of the Chinese Communists in 1962, to stop the hemorrhage in Berlin (in 1961) and to preserve the

Communist system in Eastern Europe (1968), to prevent the liberal infection among intellectuals from threatening the Soviet system at home, to continue the great effort to pull closer to the United States in total strategic power. This is not to say that they have retreated from any attained position or refused to exploit opportunities. But they have not seized every opportunity to make mischief (as for example in Africa) or rushed in to pursue aggressively every opening they have had (as for example in Syria). They have tempered their doctrinal commitment to world revolution by a heavy dose of realism. They act as if they do not want to take on additional clients that will cause more trouble than they are worth or expose the Soviets to countermeasures which might not only lose them the game but expose the USSR itself to danger.

8. It would not be correct to say that the Soviets are simply trying to maintain the status quo. They are a thrusting and ambitious power, concerned to enlarge their world position. They are seeking to gain influence and position in places denied to them. They want to become a major factor in the affairs of more nations, and they are pursuing the age-old formula that the object

of international politics is to increase the number of one's friends and decrease the number of one's enemies. But they are tempering their ambitions with estimates of feasibility and are controlling their hostility with measurements of power and risk. In Europe and in relations with the United States, for example, they are showing a keen interest in legitimizing the positions they have attained. They are upset over the situation in Eastern Europe, and -- whether they are aware of it or not -- and they may have an insoluble problem; economic and political liberalization threatens Communist control, but a refusal to liberalize risks economic stagnation and fails to engage popular cooperation and constructive managerial effort.

9. It is probably in relation to the United States that the USSR is behaving with the keenest eye for a realistic view. The US is clearly the USSR's strongest and most effective adversary today, but China in some sense is viewed as potentially even more dangerous. It is more bitter toward the USSR, less rational about the risks and horrors of nuclear war, both more populous and a closer neighbor, and also a possible collaborator

with the US against the USSR. Partly because of these dangers from the Chinese side, there has been a shift in Soviet thinking toward the view that perhaps with the more rational Americans it might be possible to arrange some sort of stabilization in Europe, in the Middle East, in the arms race, or even possibly in Asia. This can, partially at least, explain the pressure for a European security conference, the two-power and four-power talks on the Middle East, the encouraging opening of the strategic arms talks, and the suggestion of a need for some form of collective security in Asia.

10. The Soviets have other reasons, of course. In the field of strategic armaments itself, they are confronted with unpalatable alternatives. To actually surpass the US would require high expenditures and place a heavy squeeze on resources; it might not work anyway, since the US could, if it wished, easily outbuild the Soviets. To allow the US to press on and make the USSR sadly inferior is not acceptable either. The Soviet leaders are also coming to realize that their economy is not what it ought to be in terms of modernization and efficiency. That economy has such a high degree of centralized control and has so many built-in obstacles to the application

of new technology, to the most efficient forms of investment, and to the most creative endeavors of workers and management, that it is failing to grow nearly as rapidly as desired, and -- worse -- it is failing to narrow the gap between the USSR and the industrial nations of the west. The Soviet leaders cannot do very much about this unless they adopt measures which would reduce the control of the political apparatus over the economic establishment. This they are afraid to do for fear of the ultimate political consequences, and they certainly do not want to do so when their enemies abroad might be able to take advantage of it. But until or unless they do so, the armaments race will prove very costly, and the USSR will hardly appeal to the leaders of the developing states as the best model for economic advancement.

### III. THE US WORLD POSITION

11. The unique position which the US enjoyed after World War II -- military invulnerability, enormous financial resources, and the good will and respect of most of the world's peoples -- was bound to disappear. It was one of those moments in world history that occur by happenstance. And it was our policy not to try to perpetuate it. We recognized that we could not rule the

world, even if we had wished it. We recognized that the use of our economic resources to help others in reconstruction and development was preferable to letting them slip into despair and chaos. We recognized that other people had different cultures and social systems and that they would not wish to follow, and might even challenge, our own.

12. In responding to the changing situation we were confronted with a large number of difficult decisions. How much and what kind of military power should we have, and how should we use it? What parts of the world were vital to us? How should we react to the various efforts of the USSR to overcome its inferiority and acquire a stronger world position? What did the Soviet leaders really want, and were their objectives and methods changing? How much was the Communist world a single power bloc? What was the best way to assist others in economic reconstruction and development? Should we assist, ignore, or try to contain emerging nationalism around the world? What should we do about friends who quarrel with each other? And many more.

13. The policies we adopted, most of them in response to particular situations and contemporary judgments, were not -- by hindsight -- always the right ones, and we have modified many of them as the situation has changed. We have lost influence in some respects, gained it in others, and sometimes found a substantial loss followed by a substantial gain, or vice versa. If one judges influence by the pliancy of foreign offices, there is no doubt that the loss -- on a world-wide basis -- has been substantial. But if one judges by the popularity of American jazz and its variants, the prevalence of Coca-Cola, or the demand for American products -- from tractors to toothpaste, the gain has been substantial. Indeed, the American life-style is being copied throughout a world which recognizes and seeks to acquire the superior American technology upon which that life-style is based. In terms of world economic activity (investment and development of resources, expansion of trade, movement of technology, and operations of US and multi-national corporations), the US and its Western European allies have become the managerial and financial center of an economic community embracing all the non-Communist world and greatly affecting the prosperity of the Communist world itself. If one



judges US influence in Western Europe in terms of the urgency which the European members attach to NATO or the alacrity with which they subscribe to US suggestions, then our influence has declined; but if one judges by the cultural and economic ties which have developed, then the Atlantic community has been very greatly tightened.

14. There can be no doubt that US credibility as a guarantor of security to some nations is under hazard, and there are areas of the world where US commitments and interests are endangered. The point need not be labored that a precipitate abandonment of commitments or a sudden denial of a previously affirmed interest upsets people and makes them wonder whether they are dealing with a fickle nation. The real question is the effect of measured withdrawal, and this is largely a question of atmosphere. The Western Europeans are already psychologically adjusting themselves to a reduction of the US military presence in 1971, and they certainly support our phased withdrawal from Vietnam. No one in Europe, and few in Asia, seriously doubt that we have done at least what our commitments called for, and perhaps more. So long as our actions do not give the impression of a pell-mell retreat from world responsibility, they may be

regretted in some quarters; but not widely regarded as a default of obligation. Indeed, in many quarters, our withdrawal from Vietnam is regarded as a wise decision and a sensible re-ordering of external responsibilities and national priorities.

15. A more serious problem may be the effect of changes in political alignments, military dispositions and basing arrangements upon the Soviet and Chinese views of US policy and posture. A withdrawal from some advanced positions or a re-definition of our commitments could conceivably lead some to infer that US foreign policy was becoming insular and the US military posture less formidable. This also is more a matter of atmosphere than reality. The Soviets and Chinese can have no doubt about our military capabilities, either against them or in areas of possible conflict. What they and our allies could come to doubt is our willingness to use them. The management problem of US policy is to find the best ways of combining the restraint dictated by both domestic politics and good diplomacy with the firmness required by national security.

IV. PROBLEMS IN THE EXERCISE OF POWER

16. Whatever we may do, it will be increasingly difficult to formulate national policy in the world of the 1970's. It already is harder to separate nations into the "good guys" and "bad guys". It already is harder to draw lines defining areas of national interest; politics, economics, and technology have a way of making these obsolete. Memories of past mistakes -- errors of both omission and commission -- have a tendency to intrude upon the assessment of new situations. Theories about the value of military power and about how to use it have undergone change as the wars in Greece, Korea, and Vietnam have worked themselves out. Achieving the right balance in the allocation of resources among military development, domestic investment, foreign activities, and internal consumption is proving to be an important question of national policy and a determinant of national power. Excessive reliance upon, or inattention to, any one of these can diminish a nation's stature or stimulate resistance harmful to its national interest. Thus, while Japan has done extremely well by its heavy emphasis on domestic investment, it represents a voice in the world far less than its economic power would suggest. Similarly, Britain's

tendency to consume rather than to invest has greatly reduced its role in world affairs despite its possession of a nuclear capability.

17. The growth of nationalism in most of the non-industrialized nations, and even among many of the industrialized ones, has also added new complications to the exercise of national power and influence. There seems to be a growing tendency for smaller nations (Peru, Albania, North Korea, Israel) to defy the great powers. The willingness to fight as guerrillas against great odds (as in Vietnam and Algeria) poses difficult problems. Military power has become much more difficult to apply. There are inhibitions against the resort to nuclear weapons, but also to terror and sometimes to the indiscriminate killings of bombing and artillery fire. Even conventional ground force operations are inhibited by fears of escalation into nuclear warfare on a world-wide scale. Thus, the use of military power in combat is likely to become more and more discriminate.

18. These factors, nationalism and the inhibitions on the use of military power, seem likely to discourage both the US and USSR from military interventions in local

situations and to encourage smaller nations to assert their independence. But beyond that, the great powers will be discouraged from openly taking on responsibility for nations, in addition to those they already support, by such concerns as the high economic costs, the fear of getting inextricably involved, the difficulty of controlling local leaders, the often intractable problems some of these nations face, and the political costs in world opinion which such actions risk. This is not to say that we are entering an era of everyone minding his own business; it is merely to say that there are strong rational reasons why the great powers will be more prudent about -- and less prone to -- open, expensive, and binding commitments.

V. THE NATURE OF THE CONTEST

19. For some years the world has not been simply divided into two opposing camps -- a Communist world and a free world. There are many conflicts, but they exist on intersecting planes -- the US-Soviet contest, the Chinese-Soviet contest, the US-Chinese contest, the Arab-Israeli contest, the Soviet-Eastern European contest, the contest between the industrialized and richer nations (the US, the USSR, Japan, and Europe) and the poorer and primarily agricultural nations (China, India, the Near East, Africa,

and Latin America), the contest between home-grown nationalists (in the Near East, Africa, and Latin America) and the corporations and governments which exercise economic and political influence in their lands, the contests within various countries between political forces which are supported by outside powers. Because these various contests intersect, bizarre alignments tend to take place. Thus the USSR and Britain support the same side in Nigeria, while France supports the other. The US and the USSR are on the same side on nuclear proliferation, while China and France are on the other. At meetings of UNCTAD, the US, the USSR, and the European nations all are reproached by the poorer nations for their alleged economic callousness.

20. Thus it is impossible to devise any simple formula for measuring where we stand. A loss of US influence or position in one arena is not necessarily a gain for the USSR, China, or whoever our competitor may be. Our loss may be his loss too. It is not a two-sided poker game; it is multilateral. Nobody ever cashes in his chips, or is likely to be forced to do so; he may withdraw for a while and nurse his capital while waiting for the game to change or someone to grow careless. The chips are of many hues; they represent military power, economic power, domestic

strength, clarity of vision, political skill, diplomatic technique, and so on.

21. There is, of course, one principal competition, but it is a complicated one. It is essentially triangular -- among the US, China, and the USSR (and with the rise of Japan, it may become rectangular, at least in Asia). But the triangle is not, now at least, equilateral; the US-Soviet contest is the most important. Even though efforts are being made on both sides to stabilize portions of that contest, it will go on for a long time. But it seems to be entering a phase where attempts by the US and the USSR to influence each other are taking precedence over attempts by either to influence the rest of the world. Of course, events in the rest of the world are factors in this relationship; we can, for example, draw inferences from Soviet conduct in the Mediterranean area or from Soviet policy in Asia as well as from Soviet proposals tabled in bilateral negotiations. And the Soviets will draw inferences more from our conduct than from what we say. Persuaded by doctrine, and to some degree by our past behavior, that we are changeable and untrustworthy, they will be hard bargainers and do everything they prudently can to box us in.

22. The rest of the world will watch this competition, and it may be more impressed by the images projected than by the protestations issued. It would be a mistake for us to believe that in this game we have it made. We too often have looked truculent on international issues, over-reliant on military power and technological prowess, and unable to solve our own problems of race, poverty, disease, and literacy while lecturing others on how to behave. Meanwhile, the Soviets have often appeared as supporters of the underdog, seekers after peace, and patient with those who offend them. And they have succeeded in this despite Hungary and Czechoslovakia. The world has been patient over Vietnam, but it will be watching to see what we do with our society when that sore has been removed.

#### VI. CHANGE AND CHALLENGE IN THE 1970's

23. The various international contests going on will be affected by many things that are unpredictable. Events often have a way of turning apparent victories into defeats, and vice versa. The apparently insoluble may suddenly become soluble. Leaders die or are assassinated; new leaders and new movements suddenly emerge from latent or unidentified political forces.



24. But the world is also being changed by forces more fundamental than those which happen by chance or by the calendar. Some of the events of the past decade suggest that the national and international polities inherited from the nineteenth and early twentieth centuries are breaking down. Ideologies articulated a hundred years ago have less appeal, and material comforts are more widely sought and cherished. The advance of technological change, especially in communications, has caused individuals to believe that they have rights as persons they did not know they possessed or had reason to think could be realized. Many sanctions of the old order are being challenged. The conduct of war and the well-practiced ways of enforcing compliance with governmental edict are being exposed, debated, and contested. As the affluent nations increasingly accept responsibility for the welfare of their citizens, hunger and discomfort no longer provide an effective spur to conformity and achievement. Discussed below are some of the developments and problems which, while affecting the ongoing and interrelated world contests of the 1970's, might also be setting the stage for deeper alterations in the world political order.

25. Urbanization. The rapid increase in world population which is occurring in the last half of this century will be important over the next decade largely because of what it is doing to the cities, rather than because of the increase in total numbers. There are not many areas where there will be starvation for lack of food; indeed, in many places food production will increase sharply due to better methods of farming. But there will be widespread malnutrition (with its debilitating effect upon mind and body), local shortages, and starvation due to wars and social failures. City populations will be growing enormously, partly because less labor will be needed in rural areas. Hopes for some improvements in personal status -- as against hopelessness in many rural areas -- and the illusory attractions of the city will draw large populations even where there is no visible increase in employment opportunity. This will create grave problems in housing, sanitation, medical care, education, transport, crime, etc. Most of these needs will not be met. The problem will be worst in Latin America, Africa, and Asia, though parts of Europe and North America will not be spared.

26. Anti-establishmentarianism. As a result of this rapid urbanization of the world's populations, and the failure or inability to cope with it, there will be an increasing complaint about "the system" and a rather considerable revolutionary potential. This seems likely to be essentially non-ideological in character, though ideologues will try to make something of it. And it seems likely to be world-wide rather than confined to the underdeveloped or poverty-stricken economies. How much revolutionary activity materializes will depend both upon the responsiveness of governments and upon the degree to which the urban poor come to believe that something can and should be done about it. To date, there has been less urban political ferment in areas (Latin America, Africa, and Asia) where conditions are execrable than in areas (the US, Japan, and Europe) where conditions are comparatively good. But with greater awareness, education, and political organization this could rapidly change, as already seems to have occurred in East Bengal.

27. Related to the complaints of the urban poor is the growing dissidence of students, intellectuals, many workers, and even middle classes. This arises from the

inability or unwillingness of governments to cope with problems affecting them -- outmoded educational systems, antiquated laws, unresponsive bureaucracies, inadequate urban transportation, fossilized wage structures and business management, unfair taxes, and the like. Most of these people do not want revolution, they just want things done so that they can live better, and they tend to think that much of what politicians and government leaders talk about and devote their energy to is simply irrelevant and self-serving. It is not possible to state just what this kind of attitude will do to the political system, but it does possess a potential for social conflict, particularly if these non-poor dissenters and the urban poor should be driven to work together.

28. Violence. Anti-establishmentarianism has already taken violent form in the US, UK, France, Italy, Germany, India, Pakistan, Mexico, Brazil, Argentina, Japan, China, to name only the larger nations. Even when it embraces only middle and upper class elements, it throws a fright into political leaders -- of both the incumbents and the opposition. And it particularly upsets those who have some stake in the society, but not enough to feel secure. So

the initial violence begets counter-violence, and the rules of an orderly, lawful, and civilized society begin to be disregarded all around. Thus, in many parts of the world, there seems likely to emerge a social struggle between those who want to risk changes and those who don't; there will be some revolutions and counter-revolutions, charges of "communist" and "fascist", etc., where these will have no substantial relation to the ideologies to which they refer. This phenomenon of violence and counter-violence has already disturbed the scene in Greece, Brazil, China, and Northern Ireland; it could come also to Italy, Japan, and the United States.

29. Ethnic and Racial Conflict. Some of this violence and counter-violence will take the form of ethnic (socio-religious) and racial conflict of the type now going on in Palestine, Nigeria, Southeast Asia, the white-dominated areas of Africa, and the United States. Historic animosities and zealotry always produce efforts to make minorities conform in culture, language, and religion, but today -- with more movement of people, better communications, and a greater capacity to assert authority or to defend oneself -- these struggles seem likely to become

more frequent and bitter. Frontier zones (as in Southeast Asia) and multicultural states (such as India, Pakistan, and many African states) will be especially prone to this sort of violence. In many cases ethnic or racial violence proceeds, not from ethnic or racial differences in themselves, but from resentments and fears based upon the political predominance, the economic privileges, the occupation of territory, or the superior cultural or commercial achievement of a particular ethnic group. The Arab-Israeli affair, the Biafran war, the problems of the Chinese communities in Asia and of the Indian communities in Africa, all result from these kinds of concerns.

30. The most critical during the next decade will be the Arab-Israeli conflict. There seems to be no way in which it can be resolved. The Israelis will not give up their high cards (the lands they hold and the nuclear technology they possess), and the Arabs refuse to recognize that the Israelis hold those cards. They believe that over time they can force the Israelis to yield, but that in any case they should continue the struggle. It does not seem likely that fighting on a large scale will break out again soon, but if it should the Israelis would not have such an easy time of it as in

1967 -- unless they resorted to nuclear weapons. While the Soviets wish to keep the level of tension low enough to head off a confrontation with the US, they are also publicly supporting the Arab cause. The Soviets seem to be aware that there are pitfalls and dilemmas implicit in their policy, but this is a delicate game and they could miscalculate -- as they did in 1967. The Arabs could easily go too far or too fast, and the Israelis again become exasperated. Things could get beyond the capacities of the US and the USSR to control.

31. Radical Nationalism. Some nations have such deep internal divisions, lack so many of the social and political mechanisms for adjusting or narrowing these divisions, and have such formidable economic and social problems that they see no way out. In these circumstances, there are sometimes revolutions of a nationalist character, often led by a military officer corps which feels a responsibility for guarding the national birthright. This is what has happened in several Latin American countries, and notably in Peru. The object of these revolutions is to modernize and re-structure their societies. Sometimes they abort, as in Brazil. Sometimes

the new leaders decide the task is simply too much to expect of their people, and they return power to the people, as seems to be happening in Pakistan. Often the leaders are highly eclectic, as in Algeria and Tanzania. They talk of socialism, they put the text books into the local patois, they invite in Western and Communist technicians, and then they build up a market economy while sipping Coca-Cola. Some of these revolutions are going to be violently anti-American, but they may be -- and some are already -- also violently anti-Communist.

32. Technological Change. One of the major problems of technological change is that it promotes gaping disparities among nations. Many Europeans, for example, have worried over the so-called technological gap between Europe and America and fear that the Europeans will be condemned to a condition of permanent industrial helotry. But much more important than a "keeping up" among industrial nations is the worry of a much larger number of poor nations that they will never be able to plug into the rapidly moving technology of the northern tier of advanced nations. Indeed, some believe -- and with good reason -- that they will not be able to do so and will be condemned to permanent penury.



33. Rapid technological change also creates problems in foreign and military policy. Fears of falling behind and risking national security; efforts to purchase, steal, or copy someone else's technological know-how; embargoes and security controls and efforts to circumvent them -- all have become commonplace in the life of nations. One of the main problems of the next decade will be to assure that one is neither living in a false and complacent paradise nor wasting one's resources in a vain effort to do the hopeless or unnecessary. Unfortunately, this problem has a strong tendency to become a political issue instead of an analytic one and to engage political, bureaucratic, commercial, and regional interest groups. It is a problem faced by the USSR as well as by the US, and it will tend to exacerbate the difficulties of decision-making and negotiation.

34. Coping with Complexity and "Bigness". The abundance of economic, social, and political problems which the large nations of the world have come to face raises the question of whether modern life may not have become too complicated to cope with in large political units. The nations with the most advanced technology or the largest populations seem to be having the greatest problems -- China, the USSR, the US, India, Indonesia.

The small modern countries -- the Scandinavian and Low Countries -- seem better able to treat with youth, technological change, poverty, inflation, and the like. Since the problem of coping seems to apply to democrat and dictator, capitalist and socialist alike, it is not a simple question of political or economic philosophy. Handling some problems requires managing people in ways that require their cooperation, and cooperation they are not always ready to give. So, the years ahead could see both failures to cope and a search for new ways to govern states and manage their economics.

35. Establishing a Community of Understanding.

Relations among states would be easier to order, even though they differed on objectives, if all were operating from the same data, the same system of logic, the same sense of reality. Unfortunately, they are not. The Soviets clearly regard the Maoists as crazy, and the Israelis feel the same way about the Arabs. Much progress has been made in US-Soviet relations in trying to establish a common data base and in trying to understand each other's objectives. The Soviets have a good idea, as we do, what a nuclear war would be like. Neither of us can say the same about

China, and we do not know when we will be able to. One cannot be certain that the US and the USSR over the decade ahead will always keep their options open and seek to avoid confrontations, but most likely they will. The problem of statecraft is to keep the lines open with the rational and irrational alike, and to try to persuade others that communication is at least the road to understanding and that irrational action can hurt everybody.