

MEMORANDUM FOR: The Director

Attached for your review is a preliminary outline for your speech to the JCS Defense Strategy Seminar at the NWC in June. [REDACTED] and I will be ready to meet on this at your convenience next week.

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Acting DDI

Attachment

cc: DD/OCI

9 April 1974
(DATE)

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THE CURRENT INTERNATIONAL ENVIRONMENT AND KEY
NATIONAL SECURITY ISSUES CONFRONTING THE UNITED STATES

THEME: In a way almost unique in our history, the current international environment is dominated by a complex of bilateral relationships between the US and other nations of the world. This does not mean that interdependence is not developing apace; the oil-energy problem, the race between the growth of foodgrain supplies and the rise of effective demand for them, and the virtually insatiable thirst on the part of the Soviets and Chinese for new technology--to cite only three of the larger issues--clearly indicate that interdependence is more a basic fact of our environment than ever before. What is remarkable about this environment at the moment is that the problems created by interdependence are being handled bilaterally, with the US at the center of the complex and with our attitudes and policies as the key element in all of the most important of these problems. And if our policies and decisions have this degree of importance for the world, it follows that an especially heavy burden is placed on the US intelligence community to assist our leaders in understanding the environment in which they must make policy and to help provide them the information on which their decisions can be based. Let me sketch some of the salient features of this environment, as we perceive it in June 1974.

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- I. From a politico-military standpoint, the USSR is still the most prominent feature on our horizon.
 - A. "Detente" as seen from Moscow is carrying on a competition with the US by other than military means.
 - B. But competition in terms of military establishments is still at the heart of Soviet policy.
 1. Thrust toward weapons development, especially toward achieving technological equality.
 2. Thrust toward "showing the world" that the USSR can do anything the US can do--the Soviet navy--the Indian Ocean.
 - C. Soviet air of confidence covers important anxieties.
 1. China--the Great Competitor.
 2. Home front--not dissidents, but failure or inability to keep promises is what worries.
 3. Dilemma: how do you keep detente from becoming a two-way street, without reverting to neo-Stalinism at home?
 4. Dilemma: How do you get new technology and develop your resources without becoming more dependent on foreigners instead of less?

- II. China--the continuing revolution
 - A. From US standpoint, the central issue of the great debate in Peking is: on what terms, to what degree, will the US be permitted to become associated with the transformation of Chinese society?

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1. Thirst for technology compels some kind of association.
 2. Fear and hatred of things foreign still impels rejection of any kind of association other than submission.
 3. Tension between these attitudes not likely to be resolved; trying to find stability in Chinese outlook will remain very difficult.
- B. This means we as well as Soviets have to keep sharp eye on growth of Chinese military power; try to make sure that some sudden flare does not take us by surprise.
1. Present status of Chinese weaponry.
 2. Present Chinese military posture overall.
- C. Current state of Sino-Soviet dispute.
- III. Europe comes hard after China in terms of our interest (if Chinese were not such relatively new feature, the new Europe might come ahead).
- A. Great Debate in and about Europe is really meaningless in the terms press and pundits now talking.
1. Europeans have no real choice between "unity" and special relationship with US; willy-nilly, they are going to have both.
 2. No amount of posturing by French, or threats that US troops must be withdrawn, alters basic fact that

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Europe is dependent on the US for its military security against the USSR.

3. No amount of haggling over institutional developments in the European Community alters basic fact that socially and economically Western Europeans are already so united that the political aspects are becoming less and less relevant; the reason Europeans can afford to dispute so endlessly about political unity is that it does not matter very much.

B. Real problems of Europe are in other areas:

1. Inflation and disarray over money--this impacts on European middle class, and political effects need close watching--e.g., Communists in Italy.
2. Dislocations from stepped-up pace of social change; we have not heard the last of radical European youth movements which are spawned in these circumstances.
3. Development of a new set of relationships with big energy producers, primarily Middle East. Not really too successful so far--rethinking on this will also impact on European anguish over relationship with the US.

- C. In sum, a difficult period is ahead in Europe's relationships with the rest of the world, including the US, and very likely in its internal arrangements as well.

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IV. Japan is entering a similar period.

A. Like Europe, years of great material expansion and great expectations are being succeeded by doubts and seemingly insoluble difficulties:

1. Social dislocations, and the alienation of youth.
2. Energy resource problems, including relationships with oil producers.

B. Japan, Incorporated is not about to go into receivership, but there is growing doubt among the Japanese people that the established ways of doing things are adequate to meet the problems.

C. Japan of course has the same question mark that the US does about the future of relations with China--but it has it in spades, and there is very serious division within Japanese political society over how to get an answer.

D. So Japan too bears close watching for the emergence of new political movements that might exploit both traditional emotions and new stresses in Japan's economic and social environment.

V. The Western Pacific (Vietnam, Korea) is likely to become more closely linked with Japan and China, but at the moment these areas are still primarily in bilateral relationships with the US. There are two essential points to be made about both Korea and Vietnam:

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- A. In neither Korea nor Vietnam is the Communist leadership yet willing to accept a divided country; neither would the South Korean or South Vietnamese leaders if they saw a serious prospect for unification on their terms.
- B. Political changes in both Korea and Vietnam are less important in themselves than for their potentially destabilizing effect on the US relationship with Asia, including Japan at one extreme and Australia at the other.
- C. Our concern must continue, therefore, to focus on the military security of South Korea and South Vietnam and closely related developments. The environment for us in this region will continue to be one of tension--hopefully controlled--for a long time to come.

VI. The Middle East--a strange new world.

- A. Like China, a great transformation of "traditional societies" is going on here.
 - 1. Again like China, the real issue is what kind of association the US will have with this transformation.
 - 2. To see the Middle East environment through the Arab-Israeli problem, or even through the oil problem, is to miss the point.

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- B. In some ways, the problem is more complex even than the Chinese puzzle: there is not only the thirst for technology, but even more acute thirst for new visions of how society should be organized.
1. The variety of political forms in the region-- traditional tribal monarchy in Saudi Arabia; benevolent despotism in Iran; quasi-military dictatorship in Egypt-- is not only a product of historical circumstances but is a testimony to the existence of a very contemporary and very deep-going argument. 25X1
 2. Even in Israel, it is questionable whether the long attachment to parliamentary-style politics can survive the pressures to which the state may be subjected from inside as well as outside.
- C. The energy resources of the area are of course the great additional complication.
1. They are not evenly distributed.
 2. They make the area an object of intense competition from outside.
 3. They bring into even sharper focus the debate about the political and social organization, because the accidents of geology have put the bulk of the resources in the hands of the most archaically organized.

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VII. Latin America--even countries as nearby to us as Cuba and Mexico--is really on the periphery of our current international environment, despite the genuinely revolutionary social and economic developments that are going on all over our two continents. The longer-range future, of course, may well show us a different perspective, but at present Latin America has major significance for our environment only to the extent that its leaders contribute to the larger problem of the psychology of those who feel "left out." This is even more true of Africa south of the Sahara.

- VIII. This larger problem of the "left out," however, is a significant part of the current international environment, and is likely to become more so. It shows itself in:
- A. The clear crisis that has overtaken international political organizations--the UN is the prime example.
 - B. The efforts, of which we have seen only the slow beginnings so far, to change the balance of economic influence in favor of the raw materials producers.
 - C. The gradual spread of a psychology of scarce resources, manifest for example in the new, horribly complex problems of the Law of the Sea.

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All of which adds up, it seems to me, to an international environment that, like all environments that are invigorating, is one not only of challenge but also of change, of danger-- but also of promise, if we can approach it with good intelligence, in both the narrow and broad sense of that currently maligned word.

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