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IC 75-1347

12 FEB 1975

MEMORANDUM FOR: Deputy to the DCI for National Intelligence Officers

SUBJECT: Proposed Revision of the Perspectives Paper

1. Attached for your review are proposed changes to the DCI's Perspectives for Intelligence 1975-1980 which, in our view, are called for as a result of world developments since July 1974. To be of maximum value in the community's planning cycle, the revision of this document should be produced in March.

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2. The changes proposed for Part I - Major World Problems are so extensive that a full new draft of Part I is attached. They are designed to make more explicit three aspects of the world situation which in hindsight appear to us to have been underplayed in the original document-- the likely economic and political repercussions of the energy crisis (particularly in Western Europe), the prospect of further disruptive economic/political initiatives by Third World powers, and the effect of these developments on detente and the strategic balance between the US and USSR. The changes occur in paragraphs 1, 2, 4, 7, 8, and 9.

3. Changes in Part II - The Role of Intelligence are limited and occur only in paragraphs 2, 4, and 7. They are designed--as a logical follow-on to the changes in Part I--to provide stronger focus on two sets of intelligence targets - Western Europe and regional confrontations, particularly in the Middle East.

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4. After you have had an opportunity to review these, we would appreciate meeting with you to discuss them.

/s/ Samuel V. Wilson

Samuel V. Wilson
Lieutenant General, USA
D/DCI/IC

Attachment:
Proposed changes

Distribution:

Original - D/DCI/NIO

1 - D/DCI/IC (w/o att)

① - IC Registry

1 - PRD Subject

1 - PRD Chrono (w/o att)

1 - JHL Chrono (w/o att)

DCI/IC/PRD/ [redacted] (10 Feb 75)

Retyped for changes [redacted] (11 Feb 75)

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Part I--Major World Problems

1. General. The balance of power between the US and USSR is unlikely to change fundamentally. But the power of the US to influence international developments will continue to decline, as the power of additional nations possessing nuclear weapons or having significant control over critical economic resources continues to increase. The use of this new power by smaller nations will appear to impinge more heavily on US strategic interests than on the strategic interests of the USSR. Many will thus perceive the balance of power as tilting in the USSR's favor.

Assumption by the OPEC countries of near-monopoly control of the free world's oil resources has already critically strained the economies of most of the world's industrial (and less developed) nations and the fabric of international finance and trade, while leaving the USSR and other communist nations relatively unaffected. These and other strains are helping to undermine the political stability and change the foreign orientation of many nations. NATO cohesiveness is in jeopardy and America's traditional friends and allies are less disposed than in the past to accommodate US strategic requirements. These trends are likely to continue. They will provide the USSR with tempting opportunities, even within the constraints of detente, to expand its influence in world affairs at the expense of the US. Detente will at times be severely strained but is likely to hold together.

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2. The USSR. Notwithstanding the probable continuation of detente and an absence of armed conflict, the USSR will continue to seek a measure of strategic superiority over the US both in its weapons systems and in its influence over international developments. It will regard the US as its major security threat, and act accordingly.

In foreign policy, it will continue to seek ways to expand its international influence and reduce that of the US. In Western Europe, it will continue to attempt to undermine the concepts of both Atlanticism and Europeanism, employing both political action and trade policies for this purpose. Its primary aim in the Middle East will be to achieve at least equal status with the US in efforts to control and defuse the Arab/Israeli confrontation. It will also attempt to weaken the special relationships the US has enjoyed with Turkey and Iran. Soviet political action in South Asia, the Far East, and Latin America will be more limited and directed as much to counteracting Chinese as American influence. In its economic policy, Moscow will continue to give high priority to the kinds of growth which increase national power and its projection abroad, but will also fashion its trade policies to achieve specific foreign policy objectives.

The circumstances which commend detente to the USSR, however, have complicated this picture. These are: the need to control local crises lest they lead to general war; the burden of the

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Sino-Soviet conflict; and the desire for economic and technological assistance from the West. The Soviets will have to deal in the coming years with a number of dilemmas as they attempt to square traditional attitudes with the requirements of a detente posture.

These dilemmas may take an acute form in the strategic field.

While continuing to modernize its ground, naval, and tactical air forces, the USSR is vigorously pursuing the opportunities left open by SALT I. Except to the extent restrained by arms limitation agreements, the Soviets will make substantial improvements in their missile forces, including MIRVing, improved accuracy, increased throw-weight, and better survivability. At the same time, they will continue to maintain and to improve their defenses. They will be working to develop effective weapons and supporting systems in such areas as ASW, satellites, and lasers. Expecting strategic equality with the US, the USSR gives indications of angling further for a measure of strategic superiority, if that can be obtained at reasonable risk.

In attempting to exploit the Arab/Israeli confrontation and other international crises, Moscow will be confronted with similar dilemmas, will be similarly inhibited, but will take reasonable risks to obtain advantages. As noted above, some Soviet advantages will result from actions taken by third powers rather than from Soviet initiatives.

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Domestically, the pressure for modernizing reforms of the Soviet system, and particularly its economic administrative structure, will grow. Prolonged detente may also eventually have some effect on the Communist Party's ability to wield its authority effectively in all areas of public life. But these are long-term possibilities, and over the next five years the essentials of the Soviet domestic system are not likely to be substantially altered.

* 3. China. Almost certainly, China will undergo a change in leadership. The succession could see an initial collegial unity followed by an authoritarian, aggressive and xenophobic leader. The initial period could also be followed by fragmentation into a variety of contesting military, party, and provincial elements. For planning purposes, however, it would seem most appropriate to assume that the follow-on leadership in China will maintain the unity and authoritarian discipline imposed by the Communist Party, that it will be primarily concerned with internal unity in meeting the social and economic problems within China, and that it will retain a somewhat paranoid attitude toward the outside world and particular suspicion of countries on its periphery.

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China will continue gradually to develop its strategic forces and will present a retaliatory threat to the Soviet Union. By 1980, it will have the capability of threatening the United States with a demonstration (or desperation) strike by a small number of ICBMs and SLBMs. China will maintain large general purpose forces capable of operations on its periphery but will be unlikely to commit them in the absence of major provocation or concern.

Internally, China will continue its authoritarian economic programs, which are likely to keep agriculture abreast of population, to enable industry to expand capacity and output, and to support an increasingly modern defense establishment. Internationally, China will endeavor to become the ideological leader of the Third World. It will participate in aid programs and similar political gestures with other Third World powers but will not establish substantial authority over Third World countries.

4. Western Europe. Most Western European nations will be subjected to increasingly severe economic strains and some will resort to more radical political means to ease them. Both developments will reduce prospects for closer European integration, as individual nations seek salvation through bilateral arrangements with the US, the USSR, and Third World producers of food, energy, and other critically needed raw materials.

The concept of Atlanticism is likely to fare even worse. Economic competition between the US and Western Europe is likely to become more severe and add strains to trans-Atlantic relationships. Western Europe will increasingly take for granted its ultimate dependence on US support against the USSR and tend to accommodate US strategic interests only in exchange for US support of its immediate, chiefly economic, needs. As noted above, the USSR will engage in political and economic action to encourage these divisive trends. So will the LDC producers of raw materials.

- * 5. Eastern Europe. While Eastern Europe will continue to be under Soviet control, recurrent pressures for some loosening of ties with Moscow will complicate the picture. The five-year period could see an explosion from within one or more East European countries against Soviet dominance, but Moscow would quickly reestablish its hegemony (by force if necessary), whatever the price in terms of other policies. Internal discipline may be alleviated somewhat in these countries so long as they adhere to Soviet guidance in diplomatic and security matters. Economic relations with the West and with the Third World will grow in quantity and in independence from Soviet

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control. The passing of Tito could open an arena of difficulty and contest over the succession internally and over the future orientation of Yugoslavia externally.

* 6. Japan. Japan will continue to play a major economic role and as a participant in international economic affairs generally, expanding its contacts and relations with other countries, including the USSR and China. It will probably still place priority on cooperative relations with the United States although, on issues it considers vital to its own well-being, it will be less amenable to American influence. The internal Japanese scene is not apt to change so substantially as to affect Japan's role abroad.

7. New Powers and Blocs. The phenomenon of small powers, singly or in combination, exerting influence on world affairs out of all proportion to their intrinsic power will grow apace. The example of OPEC's disruption of the free world's energy situation is likely to be followed by further cooperative efforts by small nations to exert greater control over other important raw materials, such as copper, bauxite, and phosphates, to the disadvantage of the leading industrial powers. As this process develops, the newly rich nations

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will seek to use their economic power for political purposes. Iran and Saudi Arabia are already doing so. Brazil, Venezuela, Nigeria, and Zaire are also becoming at least regional great powers and are playing more substantial roles in world international forums. Aside from these, several nations having considerable influence within regions and whose ties to the US have traditionally been close will display greater independence in their relations with the US. This will be particularly prevalent in the economic field but may also adversely affect certain US strategic interests. Examples of such powers are Canada, Mexico, Panama, Australia, and Thailand.

8. The Third World will present other major problems to US policy-makers. The existing confrontations between the Arabs and Israel, North and South Vietnam, and North and South Korea hold the potential of unravelling detente at a time when the power of the US to influence their outcome is declining. Other regional disputes--between China and Taiwan, India and Pakistan, Greece and Turkey, and blacks and whites in southern Africa--could also rekindle and threaten the tenuous equilibrium between the great powers. The newly rich powers will rapidly expand their military capabilities; some will develop nuclear armaments, however primitive. Some Third World nations will seek outlets for their frustrations in assaults on their economic

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relationships with great powers and in hamstringing the effectiveness of a variety of international forums. A few may resort to blackmail through terrorism--of a conventional or nuclear variety.

9. Social change will cause turbulence and possibly create power vacuums in a number of areas. These will stem from increased expectations and a perception of the growing economic gap between less developed countries (and classes within countries) and the developed world. Areas particularly susceptible to this process will be the Persian Gulf, certain other Arab states such as Morocco, India, possibly Indonesia, the Philippines, and, in Latin America, Argentina, Peru, Colombia, and possibly even Brazil. Internally this turbulence may be temporarily stilled by some authoritarian governments, particularly those benefiting from increased oil revenues, but these will have difficulties in maintaining themselves over the longer term and transferring power to successors. The resulting turbulence can present temptations to neighboring states to exploit long-standing differences or to great powers desirous of extending their influence. Such turbulence will also exist within advanced nations, as economic, racial, ideological, or regional minorities turn to violence and terrorism to press their claims against more and more delicately tuned and interdependent societies.

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* 10. The acceleration of events will be characteristic of the years ahead. This will come from improved communication and transportation, sharply reducing the time available to reflect on, negotiate, and resolve international problems. It will also raise many local events to international prominence and inflate national or political pride, posing further handicaps to successful negotiations. There will be a resulting tendency towards shorter attention spans for individual situations and a need for simultaneous perception and management of a multiplicity of international relationships. Many national or international institutions are simply not structured to cope with accelerating change. Such change will occur most conspicuously in the fields of science and technology, but the pace there will have substantial effects on the pace of sociological, industrial, and institutional change, with resultant political and economic impacts. Identification and accurate assessments of such changes and their effects will be needed on an increasingly rapid or even immediate basis.

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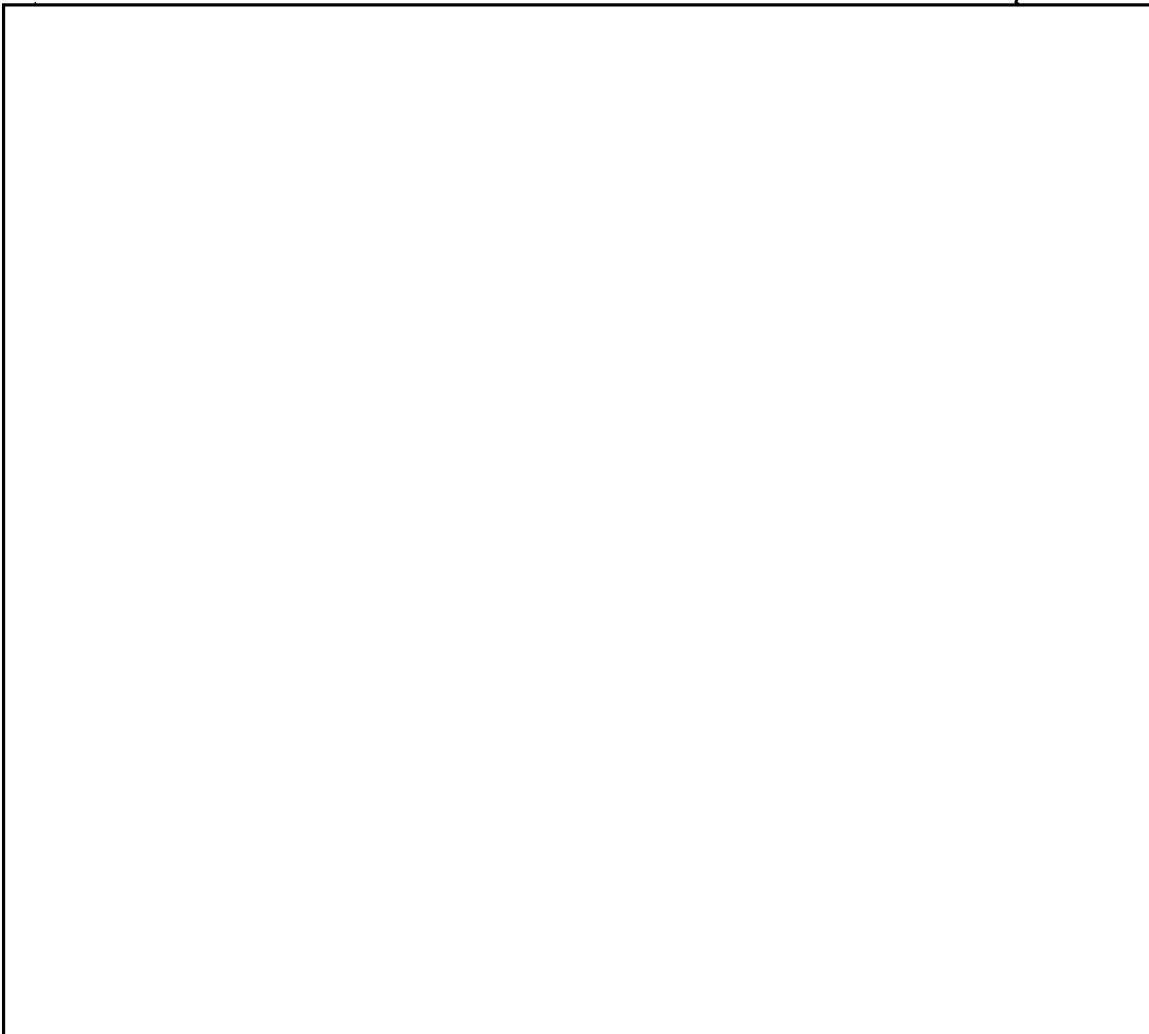
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Part II--The Role of Intelligence

1. General. No change.
2. The USSR. Change final sentence to read as follows: "The Soviet role abroad, either directly through diplomatic or economic means or indirectly through party or subversive means, will be a matter of special attention, particularly with respect to Western Europe and the Middle East."
3. China. No change.



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c. Split off last sentence and make into separate section headed Eastern Europe.

5. Economics. No change.

6. Other Priorities. No change.

7. Add, as the first and second sub-paragraphs, the following:

"(a) Developments in critical regional confrontations:

(1) Arab/Israeli

(2) North Vietnam/ South Vietnam

(3) North Korea/South Korea

"(b) Indications of a resurgence of other confrontations:

(1) Pakistan/India

(2) Greece/Turkey

(3) China/Taiwan

(4) Black Africans/White Africans

(5) China/USSR"

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