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11/23/82

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MEMORANDUM FOR: Director of Central Intelligence
 Deputy Director of Central Intelligence

FROM : Robert M. Gates
 Deputy Director for intelligence

SUBJECT : Implications of an Oil Price Decline

1. Action Requested: Sign the attached note forwarding the oil price decline paper. I recommend that we send it out with the PDB tomorrow morning.

2. Background: The possibility of a sizeable oil price decline during the next six months is increasing. The decline can have substantial positive effects on the global economy, but there are also substantial downside risks, especially on the political front. We believe that the first year following an oil price decline will be the highest risk period. This assessment focuses on the friction points that will accompany an oil price decline; the assessment is designed to provide the policy community with some lead time on how to think about managing a reverse oil shock.

[Redacted Signature Box]

Robert M. Gates

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Attachment:
 As Stated

DCI
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 REG

[Redacted Box]

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SUBJECT: Implications of an Oil Price Decline

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