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TAB B

[REDACTED]

CIA's Research Program on
Economic Competitiveness and Industrial Technology

Longer term problems are of particularly great concern. In particular, there is the gnawing problem of declining US competitiveness and sluggish productivity.

1. Unfortunately, this is a subject on which we have not done much work so far, and the rest of the government is no better off. We have done good analysis on energy, but only bits and pieces on industrial developments abroad, and on key factors affecting US competitiveness, especially major changes in technology. We are participating in a study of trends in high technology industries sponsored by the Department of Commerce, and are laying out our own program of long-term research in the area of industrial competitiveness. This program will include studies of:

a. Foreign Government Industrial and Technological Strategies

[REDACTED]

b. Likely future competitive environment in key industries and technologies abroad. These studies will include:

[REDACTED]

° International Competition for Commercial Aircraft

[REDACTED]

° Advent of the Mini Car Market

c. The key factors affecting productivity and competitiveness in major foreign countries. These studies will include:

° Industrial Investment in the 1980s: A Look at Capital Markets

° OECD Countries: Review and Analysis of Slowdown in Productivity Growth

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- Major Developed Countries: Savings Rates and Public Policy
- OECD Countries: Demographics, Labor Force and Yough Employment in the 1980s
- Newly Industrializing Countries: Implications of Shifts in Production Structure
- Western Europe: Regional and Sectoral Trends in Unemployment

2. Our research program will take several years to complete, but important parts, including those just mentioned, will be available next year. We would very much appreciate the Board members' guidance, both collectively and individually, on this complex matter.

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