

OPENING STATEMENT

SENATOR WILLIAM PROXMIRE

"ALLOCATION OF RESOURCES IN THE SOVIET UNION AND CHINA"

December 1, 1982

I am very happy to welcome the Honorable Henry Rowen, Chairman of the National Intelligence Council, to present this year's CIA assessment of recent economic developments in the Soviet Union.

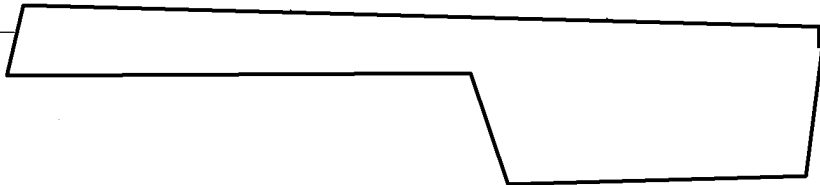
I have asked that this year's presentation deal with the capabilities and vulnerabilities of the Soviet economy, or its strengths and weaknesses.

In my view, there is much confusion about the state of the Soviet economy. This is partly because of the heavy emphasis in much of the literature about the Soviet Union on shortcomings and failures in their system. But all the knowledgeable persons who have followed the subject know that there have also been accomplishments and successes. It is a case of a glass which can be correctly described as half full or half empty. But the problem is that by looking only at the shortcomings we may deceive ourselves into underestimating the economic strength of our principal potential adversary. We may also be drawing incorrect conclusions about the Soviet economic system.

In addition, this is an especially important time to try to take a fresh look at the Soviet Union because of the transfer of power from the late Leonid Brezhnev to Yuri Andropov.

Finally, I have read your excellent statement and I would like to ask that you provide me with an unclassified version of it as soon as possible so that it can be made available to the rest of Congress and the public. I also hope the transcript of today's hearing can be quickly sanitized so that it can be printed and released.

Mr. Rowen, after you have introduced the witnesses who have accompanied you, you may proceed with your statement and then we will have a dialogue.



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