MEMORANDUM FOR: Director, OIA

Subject: The Research Plan

Attached is a copy of the Thematic Issues developed for the Research Production Plan for July - December 1980. In proposing Cardinal Issues for Part I of the new Research Plan, you may wish to review these. Some of them reflect considerable time and thought by the Inter-Office Working Groups and may well merit retention or reshaping as research issues in the new plan.

May I remind you to send your proposals for new Cardinal Issues to the Chief, PPRG (Room 2F24, Hq) by 12 September. We will try to get the combined list back to you as early as possible in the week of the 15th for your consideration and final selection.

Production Planning and Review Group NFAC Planning, Management, and Evaluation Staff

2 Sept 1980

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A. AFRICA

Cardinal Issue I: External penetration in Africa in the '80s

- A. What are the objective of external penetration into the continent?
- 1. How do these differ from the more traditional imperialist of colonialist objectives or the commercial penetration of multinational corporations?
 - 2. How are the new and old objectives interrelated?
- · B. What are the bases for penetration?
 - 1. National interest--power, commerce.
 - 2. Ideology
 - 3. Religion
 - 4. Trends in Soviet, Eastern European, Cuban and Chinese influence and activity in sub-Saharan Africa.
 - 5. The roles of Arab states in sub-Saharan Africa. This would focus on the involvement of Libya, Iraq, Egypt, Morocco, Saudi Arabia and Algeria.
 - 6. The impact of Islam in general and in specific sub-Saharan states.

7.	Trend	ds in	Europea	an [
		obje	ctives,	in	luence	and	presence.	in	sub-Sahar	an
Africa.		•								

8. Trends in interests and activities in Africa.

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- C. To what degree are African states vulnerable to penetration?
 - 1. Through their military and economic weakness.
 - 2. Through weakness of national regimes and leadership.
- 3. Research in this area should take into account food and population problems, energy prospects, mineral and natural resource production, and socio-cultural change.
- 4. To what extent does external penetration contribute to the instability (or, indeed, to the stability) of African regimes?
 - a. What is the present and prospective role of the military as an agent of stabilization or destabilization?
 - b. Is the military peculiarly vulnerable to external manipulation?
 - c. How does African leadership view the militaryas a necessity? as a threat?
 - d. Does African leadership regard security as more important than economic development?
 - e. To what degree will tribal and ethnic rivalries, succession and intra-African disputes (e.g., the Western Sahara) contribute to African instability?
- 5. Is penetration always an unmitigated evil for the African states? Are the "victims" of penetration exploiting the penetrators? Are there vulnerabilities at the core, as well as in the peripheral states?
- 6. Does the extent and effect of penetration differ in periods of economic distress or economic boom in the core or in the peripheral states?

Cardinal Issue II: African Regionalism, Internal and Foreign Affairs

The African states in the international context.

- D. What will be the role of the African States in the UN, the arab-Israeli dispute, and the Non-Aligned Movement?
- E. What is the outlook for South Africa?
 - 1. How will the Rhodesian settlement proceed?
- 2. What will be the impact of the Rhodesian settlement and developments in that country on South African and the region?
- 3. Zambian political and economic prospects and how will its relations with the Soviet Union develop?
- 4. What are the prospects for a Namibian settlement and how does it relate to the Zimbabwe outcome?
- 5. What are the prospects for black-white relations in South Africa?
- 6. What are the prospects for South Africa's political and economic relations in the region and with the outside world?
- F. What are the propsects for stability in the Horn? How is the area affected by US-Soviet competition? What difference has the prospect of greater US military access made in the region?
- G. How is West Africa particularly affected by the problems of succession in Senegal and Ivory Coast?
- H. How will the Western Sahara situation affect West Africa (particularly Niger, Mali and Mauritania)? What are the prospects for, and the consequences of, recognition by the OAU of a Western Saharan (Islamic?) Republic?
- I. What are the prospects for continued stability and development in Nigeria under an elected government?

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- J. Trends toward stability or instability in East Africa (Kenya - population and food; Tanzania - economic stability)
- K. How do the US, the USSR, and the countries concerned see the prospect of the "iron ring" (Angola, Zambia, Mozambique) for the destabilization of southern Africa?

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B. THE NEAR EAST AND SOUTH ASIA

Α.	What ar	e the	pro:	spects	for	nuclear	proliferation	in	the
	area?						•		

- 1. Focus on Iraq, Libya, Pakistan, India
- 2. What is the capability and potential of these key states to develop a weapon and/or a delivery system?
 - 3. Actions and policies of supplier states outside region.
- B. What will be the impact of the ongoing crises in Iran and Afghanistan on:
 - 1. Regional and international security.
 - 2. International economic and oil situation.
 - 3. The policy orientation of key states in the region.
 - Prospects for expanded Soviet role in the area.
- C. The potential for additional significant setbacks to the US position in the area.
- 1. In what states and concerning which issues is the risk higher.
- 2. What factors will determine the continuing strength of the US position?
- D. The policies of the major area oil producers.
- 1. What are their plans re capacity, production, pricing, and marketing?
- 2. How and under what conditions might the principal producers use oil more assertively as a political weapon?
- E. How will the major oil producers invest and use their excess revenues?
 - 1. What will be the size of these revenues?

- 2. To what extent will the cumulation and disposition of excess revenues be influenced by political factors?
- The impact of socio-economic change and/or Islamic fundamentalism.
- 1. In what states and to what degree are these factors likely to threaten political stability; domestically and in the region? (See also Section c c-7)
 - 2. In particular, what will be the impact of:
 - a extremist Muslim groups.
 - b urbanization, labor migration, and other demographic changes.
 - c food production and shortages.
- G. What are the prospects for significant changes in the Arab-Israeli military balance?
- 1. Eqypt: prospects for programs to reorganize and modernize its armed forces; domestic arms industry.

- 3. Syria: implications of political instability and posture of likely successors; extent of Soviet backing.
- 4. Iraq: prospects for continued strengthening of capabilities: strategic aims in filling regional vacuum in Gulf.
- H. How will the balance of military power in South Asia evolve over the next several years?
 - 1.. Pakistan/India problem.
 - 2. US vs. USSR--militarization of the Indian Ocean.

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- I. Political and security implications of conflicts within the region.
- 1. Specifically, which have the potential to involve the US and/or the USSR?
 - 2. Cases of special interest:
 - a Iraq/Iran
 - b Morocco/Algeria/Western Sahara
 - c Yemens/Saudi Arabia
 - d Libya/Egypt
 - e Lebanon/Syria

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- J. What is the potential for changes of regime and/or policy orientation in the states of the region?
- 1. Egypt, Saudi Arabia, India, Pakistan: states of highest interest to US.
- 2. Other moderates: Morocco, Jordan, Tunisia, Sudan, Arab Gulf states.
 - 3. Radicals: Syria, Libya, Algeria, Iraq.

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- 1. What are the positions of the principal parties--Egypt, Syria, Palestinians, Jordan?
- 2. Are these positions changing and in response to what influences or developments might they change?
- L. What are the prospects for changes in Soviet presence and influence in the area?
- 1. In the Mediterranean: prospects for securing port facilities and/or treaties of friendship and cooperation, especially with Syria, Libya, and Algeria.

- 2. In the Gulf: prospects for expanded diplomatic relations with conservative Arab states and for strengthened role in Iraq and Iran.
 - 3. On the Arabian Peninsula: the Yemens and Oman.
 - 4. Policies vis-a-vis Pakistan and India.

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M. How and in response to what factors will the Cuban role in the area change in the next few years?

c. INDIAN OCEAN

- A. Strategic Importance of the Indian Ocean.
- 1. Growing importance of the Indian Ocean to Soviet strategic planning.
- 2. Strategic importance of the islands of the Indian Ocean (e.g., Mauritius, Maldives, Diego Garcia).
- 3. Vulnerabilities of the "choke points" in the Indian Ocean Region (e.g., Hormuz, Bab al Mandab, Malacca) to being closed to US or other Western nations.
- B. External Attempts to Influence Events in the Region.
- 1. The methods by which the Soviet Union is attempting (including the use of surrogates) to extend its influence in the Indian Ocean region through military, economic or political means.
- 2. Success or failure of Soviet efforts to expand access to naval, air or other militarily significant facilities in the Indian Ocean region.
- 3. Prospects for Soviet-sponsored subversion within the region, especially in key states of the area.
- 4. Prospects for Soviet success in attempting to gain influence in the region by expanded military or economic assistance.
- 5. Chinese interest in and efforts to project influence into the Indian Ocean area; possibility of new arena for Sino-Soviet dispute.

		capabilities of key
developed nations		
in the	Indian Ocean.	- •

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- C. Indigenous Activities and Efforts to Meet the Challenge Posed by Great Power Rivalry in the Indian Ocean Region.
- 1. Reactions of important states in the region (in particular petroleum producers) to attempts to expand Soviet or Western influence in the area via direct or indirect means.
- 2. Local rivalries and disputes in the Indian Ocean area as they impact on Soviet attempts to gain influence.
- 3. Prospects for political, economic and social stability in key states (e.g. Saudi Arabia, India, Indonesia) of the Indian Ocean region.
- 4. Efforts of indigenous states to keep the great powers out of the Indian Ocean region including unilateral or multilateral attempts to improve defense capabilities and efforts to expand the role of the Non-Aligned nations.
- 5. Activities of key local powers (e.g., India, Iraq) and some nearby Third World states (e.g., Libya) to influence events within the region.
- 6. Attitudes of key states in region to US-Soviet competition, including perceptions of the strengths and weaknesses of the two superpowers.
- 7. Significance of ethnic or religious movements toward unity (e.g., Pan-Arabism, the Islamic Movement) or toward separatism (e.g., Baluchistan) on the strategic balance in the Indian Ocean region.
- 8. Developments leading toward nuclear proliferation in the Indian Ocean region (India, Pakistan, Iraq, South Africa--
- 9. Issues and likely developments at the 1981 UN Conference on the Indian Ocean Zone of Peace.

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E. EAST EUROPEAN

A. Political implications of economic difficulties.

A major source of future political conflict in Eastern Europe —with domestic political leaderships and interest groups, and between governments and populations — is likely to be resource constraints. Diminished availability of energy/raw materials supplies, and its likely negative effect on national growth and living standards, will create the need for critical choices on resource allocations and national priorities. Such problems will affect each of the East European states, the nature of their relations with the Soviet Union and the outside world.

B. Prospects for and implications of leadership change.

Economic problems and the questions of national adaptation could contribute to a more fluid leadership situation by making choices unavoidable and sharpening them, and by creating fissures within party/government leaderships. Debate over issues such as economic reform, the appropriate response to political dissent, and more active engagement in the third world could alter the pattern of elite stability that has characterized East European leadership during the 1970s. The pattern of political mobility within leadership groups could also be altered by such pressures. The identification of individual leaders with political constituencies, increased factionalism -- situations reminiscent of the ferment of the 1950s and mid-1960s in some states -- could result. The probable change of party leaders in some East European countries in the next five years could contribute to this more dynamic situation.

C. Pressures for change in East European ties with the West.

The pattern of increased East-West political interaction, especially between East and West Europe, which has attended the pattern of expanded economic ties (but which is not the result solely of those ties) could be dealt severe setbacks in future. The strain on East European economic ties with the West is already apparent. The initiation of more stringent policies with respect to political discipline could result in curtailing the network of East European cultural and intellectual exchanges that has considerably reduced the region's political isolation in the 1970s. The stagnation/deterioration of US-Soviet relations could reinforce such trends, as could a drawing closer by Eastern Europe to the Soviet Union for economic reasons. Enhanced Soviet political leverage which could derive from East European economic needs could further reinforce a "drawing away" from the West by individual East European states.

D. Soviet policies toward Eastern Europe.

Soviet pressure on Eastern Europe to restrict development of ties with the West and to participate more fully in CEMA integration could increase Soviet-Eastern Europe tensions. In any case such pressures, systematically applied, will introduce new elements into the politics of the Soviet-East European relationship. In striking a different balance between East Europe and the West both Moscow and Eastern Europe will feel a certain schizophrenia. Soviet policies and objectives toward individual East European countries, and toward the region as a whole, particularly with respect to the institutional expressions of Soviet hegemony -- the Warsaw Pact and CEMA -- would be useful research topics. The question is really one of the different pulls in Eastern Europe between the USSR and the West: How do individual East European countries perceive contradictory pressures and how will they seek to deal with them?

- E. The character and implications of political dissent.
- F. The military reliability of the East European states in a Warsaw Pact-NATO conflict.
- G. Yugoslavia's future (emerging power structure, political stability, nationalities issues, relations with USSR).

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F. USSR

Cardinal Issue I: Are political, economic, social and technological developments within the USSR likely to lead significant changes in established Soviet military and foreign policy objectives and priorities or in the strategies and tactics by which they are pursued? If so, what is the likely nature of these changes and what do they imply from the point of view of US goals and interests?

- A. Will the faltering Soviet economy incline the USSR toward a more assertive or a more forbearing security policy?
- 1. To what extent does increase in Soviet military power vis-a-vis the West depend on increases in Soviet military spending?
- 2. What are the tradeoffs among economic growth, political stability, and military programs as Soviet policymakers look at them and as we understand them?
- 3. How will the defense industrial sector be affected by the economic slowdown?
- 4. What can and will the Soviets do to reconcile the increasing complexity of managing the Soviet Union with the desire to retain central control?
- 5. How will unequal rates of population growth in the various republics impinge on political and economic arrangements?
- 6. To what degree will economic stringencies influence Soviet toward arms control?
- 7. What are the prospects for productivity growth in the USSR -- under current policies and under conceivable policies?
- 8. How will the Soviets cope with growing regional imbalances in raw material sources, increments to the labor force, and the location of fixed capital?
- B. How will the impending, multitiered leadership succession affect Soviet foreign and military policy-making and policy?
- 1. Do important generational differences exist regarding attitudes toward the Soviet system as it has evolved?

- 2. Can opposing views be identified with respect to political, economic, and military policies?
- 3. What changes are likely in decision-making processes with the USSR?
- C. How will the rapidly changing ethno-demographic composition of the Soviet population impact on Soviet foreign and defense policy?
- 1. How, when, and to what extent will shifting ratios between Slavs and Muslims in the USSR affect the Soviet military?
- 2. Will Moscow's fear that Soviet Muslim's might prove susceptible to Islamic fundamentalism have a significant impact on the nature or conduct of Soviet foreign policy?
- 3. How will the apparent increase in Russian national self-assertiveness within the USSR influence Soviet military and foreign policy?
- D. How will Soviet military and foreign policy be affected by the dynamics and "imperatives" of "the scientific-technical revolution?
- 1. Will current Soviet efforts to improve the process of introducing new technology be effective?
- 2. Could the USSR gain a decisive edge in-critical areas of science in the coming decade?
- 3. How will the increasing competition between the civilian sector and the defense sector for R&D resources be resolved?
- 4. Will the Soviets perceived need for technology transfers from the West have a restraining effect on their military and foreign policies?

Cardinal Issue II: Are political, economic, social and technological developments outside the USSR likely to lead to significant changes in established Soviet military and foreign policy objectives and priorities or in the strategies and tactics by which they are pursued? If so, what is the likely nature of the changes and what do they imply for US goals and interests?

- E. How will perceptions of adverse, mid-decade changes in the East-West military balance impact on Soviet near-term military and foreign policy choices?
- 1. How will US (Western) policies regarding exports and licensing of a range of advanced technology affect Soviet and East European technical progress?
- 2. How do the Soviets think the relative advantages in military technology (East vs. West) will evolve in the 1980s?
- 3. What are Soviet perceptions of US security policy trends in the early eighties?
- 4. What are Soviet perceptions of the Western/US contribution to Chinese military capability?
- 5. Under what circumstances could Soviet economic strains lead to sharp rather than incremental changes in the distribution of political and economic power in the USSR and Eastern Europe?

Cardinal Issue III: The strategic forces: The East/West Power Balance: How will it evolve?

- F. How does the Soviets assess the current and emergent "correlation of forces" in the world? What forseable circumstances do they believe could lead to significant shifts?
- G. If SALT is ratified, will the Soviets continue nevertheless to pursue development of counterforce and damage-limiting capabilities of the type the US has perceived as destabilizing?
- H. How will the Soviets react to the US deployment of MS/MPS?
- 1. Will they seek to maximize the number of their MIRVs to be able to attack all MPS shelters?
- 2. Will the move away from fixed silos to more mobile systems to increase survivability?
- 3. Will they be willing to extend SALT II limitations beyond 1985 when MX is deployed?

- I. How will the Soviets react in their strategic programs to planned US and NATO programs for deploying long range theater nuclear weapons?
- 1. What will they do in the development of intermediate range forces?
- J. How prepared are Soviet military forces to pursue strategic objectives with military means? How do they view the consequence of intercontinental nuclear with the US?
- K. What are the technological developments in train or expected that could have impact on the power balance?
 - 1. What improvements in the accuracy of Soviet ICBMs?
 - 2. How many hard-target capable warheads will they carry?
- 3. Will Soviet MTRVed SLBMs eventually become accurate enough to be used against MPS?
- 4. Will the Soviets make substantial improvements in ASW--that is, in their open ocean detection and attack capabilities?
- 5. How long would it take the Soviets to develop an ABM that could intercept present types of US warheads?
- 6. How effectively and how soon can the Soviets improve their low altitude air defenses?
- 7. What are the prospects for systems employing advanced technology (e.g., directed energy weapons, non-acoustic ASW sensors)?
- L. How will Soviet perceptions of competing interests in the third world affect their programs in strategic forces? Do they see their strategic capabilities forcing a decoupling of the intercontinental threat from regional confrontations?
- M. How do the Soviets perceive the strength of their strategic forces relative to the-US?
 - 1. What do the Soviets see as necessary for deterrence?
- 2. Do the Soviets seek strategic superiority? What do they mean by superiority? How much is needed?

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- 3. What measures do they use to assess relative strengths and weaknesses?
- 4. Is this perception likely to cause them to act more aggressive in areas of competing interest with the US? To take greater risks in a crisis?
- 5. How will this perception affect their plans for future force programs?
- 6. How will it affect their attitudes and approach to arms control?
- N. Do the Soviets see passive defense and recovery capabilities as a means of achieving strategic advantage over the US?
 - 1. What is the objective of Soviet civil defense programs?
- 2. How do the Soviets approach the matter of post-attack recovery? Do they see this as an area in which they could achieve strategic leverage? What steps have they taken in this area?
- O. Are the Soviets planning actively for protracted strategic nuclear warfare?

Cardinal Issue IV: How will the East West Power Balance evolve in terms of general purpose forces?

- P. How will Soviet developments in armor and antiarmor systems affect the balance?
- 1. can the Soviets continue to develop technologies, forces, and tactics that will preserve the dominance of their huge tank park against prospective improvements in Western antiarmor technology?
- Q. Will the Warsaw Pact develop air forces capable of establishing air superiority in Central Europe in a conventional conflict? (NOTE: The doubtful ability of the Pact to successfully prosecute its planned air offensive in Central Europe is regarded as one of the chief weaknesses in the Pact's current offensive capabilities.)
- 1. What new tactics and weapons systems will the Pact develop for attacks on NATO air bases?

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2. How will Pact tactics for overcoming NATO air defenses (especially ______develop?

- 3. What level of intensity over time can the Pact maintain in its air offensive? Sortie rates?
- 4. What measures will the Pact take to improve pilot and aircrew proficiency?
- 5. What will be the effectiveness of Warsaw Pact battlefield air defenses?
- R. What Soviet technology developments or opportunities have the potential to radically affect the balance?
- S. How will developments in the Soviets' general purpose naval forces affect their maritime capabilities?
 - -- To interdict Western sea lines of communications?
- 1. To destroy Western surface naval forces, including carrier strike forces?
- T. What is the effect of recent and projected developments in Soviet command, control, communications, and intelligence on Warsaw Pact capabilities for theater warfare?

Cardinal Issue V: How will the Soviets perceive their opportunities to intervene abroad, with or without the use of surrogates?

- U. How will Soviet air and naval capabilities develop for projecting military forces abroad?
- V. Will the Soviets develop and field new tactical combat organizations for use in Third World adventures?
- W. Will the Soviets establish ground force, air, or naval bases in Third World countries?
- X. Will the Soviets increase their use of surrogates as intervention forces?

Cardinal Issue VI: What will be the impact on Soviet general purpose forces of operations in Afghanistan?

- Y. Will the Soviets escalate their military commitment in Afghanistan?
 - --What impact would escalation have on Soviet posture against NATO/ China?
- Z. What lessons about Soviet general purpose forces can we learn from Afghanistan?
 - 1. Mobilization and warning
 - 2. Readiness and proficiency of Soviet reserve
 - 3. Equipment readiness and quality
 - 4. Tactics and organization
 - 5. Logistics
 - 6. Use of airmobile forces
 - 7 Leadership and training.
- AA. What lessons about counterinsurgency warfare will the Soviets learn from Afghanistan?
 - 1. Will they be discouragesd from further such adventures or not?

Cardinal Issue VII: How much warning of a prospective Warsaw Pact conventional attack would NATO get?

- BB. Given Soviet perceptions of the reliability of the East Europeans, is a surprise attack a realistic Warsaw Pact option?
- CC. What is the status of Warsaw Pact logistic preparations?
- DD. How ready are Warsaw Pact air forces to begin a major air offensive in Central Europe?

- EE. How ready are East European ground forces and Soviet ground forces in the western USSR.
- FF. How ready is the GSFG?

Cardinal Issue VIII: What is Soviet policy for use of nuclear and chemical weapons in theater warfare?

- GG. "Decoupling": Will the Soviets continue to believe that initiation of nuclear war in Europe would be likely to lead to intercontinental nuclear exchanges?
 - 1. How will Soviet peripheral strike forces develop?
- 2. Will the Soviets expand their short-range, low-yield nuclear systems in Central Europe? Nuclear artillery?
- 3. If the Soviets concluded that decoupling had occurred, what effect would it have on their development of conventional forces?
- HH. Do the Soviets plan for offensive use of lethal chemical weapons, or biological weapons, in nonnuclear warfare with NATO?
- II. Do the Soviets consider that use of tactical nuclear weapons at sea could be constrained without spreading to the land theaters or intercontinental strikes?

G. GLOBAL ISSUES: POLITICAL

Cardinal Issue I. Why are key international and national institutions having difficulty coping effectively with the effects of rapidly accelerating societal change? And what does this imply for US interests?

- A. What new patterns of regional and international power relations are developing and what do these changes mean to the US?
- 1. Is the political relationship between the US and its industrialized allies changing? (See also Section H J-2)
- 2. Are new power centers that are increasingly autonomous from the superpowers developing among LDCs? (See also Section H A-1)
- 3. Are new patterns of cooperation and competition developing among LDCs and between groups of LDCs and industrialized countries that are likely to affect US interests? (See also Section H A-2)
- 4. What are the perceptions of foreign leaders concerning US global intentions and capabilities and how do these perceptions affect their foreign policies?
- 5. What are the implications for Western policies and interests of the emerging forces of protest, change, and revolution around the world?
- B. To what extent are existing international institutions and procedures under increasing strains that reduce their adequacy and create pressures for change?
- 1. What are the types and significance of the demands LDC pressure groups are making on the industrial country-dominated international system? (See also Section H J-1)
- 2. How are the deterioration of relations between the US and the Soviet Union and the rising assertiveness of LDCs likely to affect the ability of international organizations to function?
- 3. What new threats are likely to be posed to accepted diplomatic practices and to national governments by international terrorism?

- 4. What impact is the growing number of such transnational actors as multinational corporations, private lending institutions, and various special interest organizations having on the international system? (See also section H S, Y, Z, AA)
- C. What are the causes and consequences of political instability and how do they affect governmental effectiveness in key LDCs?
- 1. How do national leaders (or governments) attempt to cope with the conflict between maintaining important traditional values and institutions, and the pressures from the acculturation process brought on by the drive toward modernization or westernization?
- 2. What are the implications of military rule in key LDCs for their domestic political processes and external relations. (See also Section I F-2, F-3, F-4)
- 3. To what extent does rising ethnic, cultural, and religious consciousness within and among LDCs create new strains on or new rallying points for central; governments?
- 4. What is the relationship between rapid urbanization and the likelihood of significant political unrest? (See also Section 8 BB-3)
- 5. How will maldistribution of food in the world, other resource scarcities, and existing demographic trends contribute to political instability? (See also Section H I-1, BB-3)
- 6. How seriously will governmental effectiveness and legitimacy in the most rapidly growing LDCs be impaired by adverse world economic -- especially energy related -- trends? (See also Section H A-2)
- 7. To what extent are key LDCs subject to disrupting foreign influences because of their strategic significance or because of the susceptibility of their elites to foreign social, political, or intellectual values?
- 8. What is the long-term impact of narcotics trade on the economics, governing institutions, and social fabric of major producing countries?
- D. What are the causes and implications of the declining governability of industrialized nations?
- 1. How serious are the problems of continuity and succession in developed authoritarian countries for their domestic political stability?

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- 2. What are the causes and consequences of the relative decline of parliaments and political parties as mechanisms for forging compromise and consent in the industrialized democracies?
- 3. Are there basic shifts in the way people in industrialized countries view central government and in what they demand of it? If so, what are the implications of such changes?

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H. GLOBAL ISSUES: POLITICAL-ECONOMIC

Cardinal Issue I: Political-Economic Adaptation to Energy Constraints

The likelihood of tight energy supplies in the 1980s will necessitate major political/economic adjustments within and among states. In a slow-growth, energy-constrained, inflation-beset environment, governments will face a series of closely linked problems that will have to be addressed in combination. These include:

- A. Guaranteeing access to fuel supplies: Consuming countries may be forced to adopt new political alignments to maintain secure fuel supplies as oil resources dwindle. In attempting to procure supplies, consumers may be subjected to resource blackmail as producer leverage continues to increase. We need to speculate about the new global alignments that could occur in an energy-tight world and assess their implications for world growth. (See also Section G A-2)
- B. Coping with reduced and more expensive supplies: Adjustments are already underway in some countries to cope with the impact of energy scarcities on their economies. The ability to achieve acceptable rates of economic growth and maintain a high standard of living will largely depend on the adoption of effective conservation policies. The nations that succeed in the race to develop energy-efficient and alternative energy technologies will gain a competitive edge in the world market-place. In many nations, the adjustment process may occur rapidly enough, however, to avoid domestic political stress. We need to track closely the changes in domestic and international relations that will develop as a result of adaptation to energy constraints. (See also Section G A C-6)
- C. Domestic repercussions: Increasing energy costs and scarcities may create new domestic political alignments and cause some countries to undergo profound changes in national political form and leadership. Growing concern over the impact of energy shortages on the domestic economy may also cause some countries to retreat from earlier international commitments on trade, capital movements, or the entry of foreign workers. The implications of these changes for the United States will need to be assessed.

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Cardinal Issue III: The Increased Use of Non-Military Coercive or
Punitive Foreign Policy Tools

Over the past decade, nations have made increasing use of non-military foreign policy tools, usually in situations where some type of damage inflicting or retaliatory action short of a declaration of war is desired. Examples of these non-military tools include the Arab use of the oil embargo, UN economic sanctions against Rhodesia, the boycott of Olympic games in the Soviet Union, and the freezing of Iranian financial assets in the United States. The growing use of such actions raises several issues that need further research.

- F. Ingredients and efficacy of economic warfare: The tools that conceivably may be used as non-military weapons need to be identified and their damage-inflicting potential assessed. These tools include embargoes of raw materials and disruption of financial flows, among others. This should include an analysis of how useful or effective the tools can be in achieving foreign policy goals.
- G. Science and technology as a foreign policy tool: The extent to which leading industrial nations can or will increase the use of their S&T resources as a means of achieving specific foreign policy objectives should be assessed.
- H. Political/diplomatic sanctions: It would be useful to identify the conditions under which political/diplomatic sanctions, such as UN condemnation, are likely to be used and the goals they might achieve (punishment, changes in policy, etc.).

Cardinal Issue IV: Changing Relations Among Oil Producers and Oil Consumers

Competition for OPEC oil will loom large in the relations between oil producers and consumers over the next several years. This will particularly be the case for Persian Gulf oil as the Soviet Union finds itself increasingly energy constrained. The LDCs also expect their use of energy (mainly oil) to grow faster than energy consumption in the industrialized nations and are already seeking OPEC assurances about oil supplies. While the OPEC producers share the West's concerns about avoiding a runaway oil crisis and international upheaval, they may come to feel that their security requires them to accommodate growing Soviet and LDC needs for oil.

- I. A pragmatic dialogue between the OECD and OPEC: A common interest in avoiding an oil crisis and ensuring upheavals may not be sufficient to accomplish a meaningful exchange. The other ingredients that will be required for fruitful OECD-OPEC relations should be examined.
- J. Accommodating Soviet needs for oil: The forces that could cause the key Persian Gulf producers to sell a significant share of their oil to the Soviet Union and to ensure their security by "bribing" the USSR with oil should be analyzed.

- K. OPEC-USSR ties: Such ties are bound to increase, the major question is how much? The implications of such a shift for the West and for the LDCs should be examined.
- L. OPEC other LDC relations: To some extent, at least, OPEC countries see political and economic benefits in being part of the Third World groupings. Non-oil producing LDCs fear the growing energy supply and cost squeeze. The extent to which OPEC will feel motivated to meet growing LDC needs for oil should be assessed.

Cardinal Issue V: Resource Disruptions: Likelihood and Implications

The drastic reduction in oil liftings in the wake of the Iranian Revolution has sensitized policymakers to use danger of disruptions in the supply of fuel, food, or minerals for reasons that are beyond the control of the governments involved. War, revolution, guerrilla activity, or natural disaster could be the cause of such a disruption. The intelligence community needs to assess the likelihood and implications of such events.

- M. Resources and regions: The resources and countries more likely to be involved in a potential supply cutoff should be identified as well as the consuming countries most likely to be affected. The strategic importance of the resources considered most vulnerable to the disruption should be assessed.
- N. Scenarios and countermeasures: The conditions under which the more likely disruptions would take place should be examined. How the crisis would evolve and what countermeasures would be taken by consuming nations (and at what point in the evolution of the crisis) should also be researched.
- O. Secondard effects: The political and economic secondary effects of the most likely supply disruptions should be looked at. The conditions under which supply disruptions would create extreme problems for the world economy need to be identified. The prospects for cooperation and/or rivalry between countries and groups of countries in the event of a supply disruption are an important element to consider.

Cardinal Issue VI: International Monetary System: Ability to Alleviate
Problems Created by Surging Oil Prices and Increasing
Interdependence

Once again policymakers are greatly concerned with the ability of the international monetary system to move surplus OPEC funds to oil importing countries in a way that allows the smoothest possible economic adjustment to higher oil prices. This recycling task may be more difficult this time than following the 1973-74 oil price hikes because the large OPEC surpluses are likely to persist. At the same time policymakers realize they must move forward with their post-1971 effort to redesign the international monetary regime so that it more easily adapts to fundamental changes in the global economy, dampens extreme exchange rate flucuations, and reduces the burden imposed on the dollar. Achieving these goals has become increasingly important, although more difficult, as a result of the problems brought on by the rapid rise in oil prices.

- P. Adjustment policies: For the next several years, governments in oil importing countries will face unusually difficult choices in balancing economic growth policies with those aimed at achieving a prudent foreign financial position. The extent to which their decisions will have an important domestic impact on unemployment levels, the inflation pace, and the strength and durability of the political leadership will have to be examined, particularly since the choices also will affect the well being of other countries and the stability of the international monetary system.
- Q. Petrodollar strains on the commerical banking system: Banks have strongly stated that they will play much less of a role in recycling this time around. They are concerned about the relatively high level of their loans, the "low" profits on these loans and the reduced ability to borrowers to meet debt repayment schedules. The extent to which these attitudes will affect economic growth and hence political stability in most countries must be investigated.
- R. Devising new recycling means: If commercial banks hold down lending, other institutions will have to take up the slack. Possibilities such as lending by non-banking institutions such as insurance commanies and pension funds, developing new international institutions or funds, direct recycling by OPEC, and greatly increasing IMF loans need to be identified and their implications assessed.

- S. Providing adequate aid to the poorest LDCs: These countries are unable to borrow money on commercial terms because they are such poor credit risks. They must therefore depend on highly concessionary loans or grant aid to cover their higher oil costs and export losses stemming from slower economic growth in developed countries. The ability of and willingness of developed countries and OPEC to meet these needs should be assessed. (See also Section G B-4)
- T. Managing the international monetary system: Efforts to improve the system are now concentrating on developing multi-currency reserve systems, promoting the use of the SDR, improving IMF surveillance of the adjustment process, preventing competitive devaluations, and reducing the strain on the dollar through the so called IMF "substitution account." The tradeoffs involved in balancing off governments' desires for sovereign control of financial and economic policy against needs to maintain cohension across borders should be investigated.

Cardinal Issue VII: Emerging Problems in International Trade:

The scramble for world markets over the next decade will be fierce as countries try to maximize growth and trim balance-of-payments deficits by promoting exports or constraining exports. Also, we do not have the international forum which the Multilateral Trade Negotiations (MTN) provided during most of the 1970s to jointly solve problems and to reduce deviations from accepted trade practices. Frictions will emerge, and retaliation could result in new trade wars. The impact of such developments on bilaterial US political/economic relationships could be substantial.

- U. Protectionism: Protectionism is likely to take the form of not removing non-tariff trade barriers that were promised in the last round of the MTN. This can often be done without detection. We should identify potential constraints to the trading system which could spread to a world protectionist movement. We should develop a method of quantifying the degree to which non-tariff barriers restrict trade and the progress toward removing them.
- V. Positive Adjustment: Major countries have committed themselves to adjustments that will allow the relocation of some industries to cheaper producer countries, primarily to the LDCs. We should reassess the economic impact of these commitments on

the major countries, the LDCs, and the restructured markets. We should review the progress of adjustments that are being made by each country and assess the implications for world trade patterns.

- W. Market Concentration: Many countries have increased exports by concentrating on narrow markets, such as small automobiles and televisions. We should identify potential markets for future concentration and, in conjunction with positive adjustment policies, evaluate alternative ways of controlling imports until restructuring can occur.
- X. Technological Strategies: Several leading industrial countries are pursuing a high-technology strategy that will increase competition for key US markets. For example, the FRG and Japan have national programs to increase industrial productivity through large-scale automation of key sectors, such as automobiles and consumer electronics; European and Japanese high-technology industries are cooperating more frequently in production and marketing strategies. We should assess the economic, political, and technological implications of these developments in a multidisciplined framework.

Cardinal Issue VIII: The Adequacy of International Institutions to Cope with the Economic Problems of the 1980s

The principal participants in the existing multilateral economic institutions are the developed countries, the OPEC less developed countries (LDCs), and the non-OPEC LDCs. Increasingly, the interests and political aspirations within and between these factions have diverged. At least since the first UNCTAD meeting in 1964, the LDCs have pressed for various sorts of special considerations in trade and payments rules, for the creation of new institutions that would be more sympathetic to their developing needs, and for increased political authority in determining the targets and activities of the existing institutions. At first merely a part of the Third World bloc, the OPEC countries, in the 1970s, became a force in their own right and willing to bargain with their LDC friends for support on energy-pricing and other issues in the North-South dialogue. The goowing divisions since mid-1979 between oil-producing and oil-consuming nations will tend to exacerbate the stresses that each group is already putting on a set of international institutions designed by relatively small number of developed country policymakers. Specific issues likely to arise in this setting include:

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- Y. Obstacles to institutional modifications to take account of the changing global economic environment: After about 30 years of operation, the major international economic institutions are both showing signs of wear and running out of new designs to proffer in the interests of a more open global economy. Some adjustments of operating rules within the IMF, the IBRD, and the GATT are underway. At each such instance, the South is increasingly willing to politicize the discussions and to insist that the new features contain some spur to their own development, whether appropriate or not. We need to examine the problems in the progression, since they are likely to inhibit rapid responses to protectionism the energy crisis, and global inflation. (See also Section G B-4)
- Z. Demands for creation of new institutions: Exploiting concerns in the developed world that some problems of global scope require new international treaties, the LDCs will attempt to enlarge the resource transfers from North to South by demanding that totally new organizations be created to deal with problems now handled at least in part by (a) the UN and the associated agencies or (b) the market. The character of the demands for global "cooperation" in various areas will appeal to factions in the developed countries as well as the LDCs. Moreover, increasing bilateralism in resource-contracting may spur the developed countries to act on the premise that new international institutions are better than apparent anarchy. These developments need to be closely tracked because there is considerable potential for friction among the developed countries in responding to challenge of this sort. (See also Section G B-4)
- Demands for greater LDC voting power in existing institutions. There is a good argument that voting power in existing institutions should be adjusted over time to reflect changes in the economic and political power of countries. The IMF/IBRD group takes this into account in changing country quotas. The LDC would, however, like to so conform this principal as to assure that they held the majority of votes in all major international institutions. There are differences among them as to what new formulas should be invoked; as a result, there is considerable prospect for friction between North and South and within the South in resolving the broader question. In any event, there is always the possiblity that concessions will have to be made in voting power to achieve other developed country objectives. We currently have no reasonable basis for knowing what impact such changes in power within international institutions might have for the resolution of important conflicts. (See also Section G B-4)

Cardinal Issue IX: Implications of Mannower Balances and Labor Movements

The political, economic, military, and social ramifications of population dynamics could result in greater social stress and more government instability. The global population structure will change markedly over the next ten years. By 1990, another 800 million people will be added to the global population, mostly in developing countries, while the impact of several decades of low or negligible population growth will force major structural changes in the LDCs.

- BB. An increase in the labor force in LDCs: By 2000, the labor force of the LDCs is expected to double. What are the implications of these increases for unemployment and political stability, in particular LDCs with slow growth or a limited economic base?
- CC. An increase in the international mingration: More people are likely to be displaced by any military conflict and more are likely to be migrating in search of better opportunities. The extent to which slower growth in the developed countries will reduce the demand for LDC labor, removing an historical safety value on population growth and important source, of foreign exchange, should be investigated along with the political implications of such a development.
- DD. Increased urbanization: High rates of population increase and the prospect for continued internal migration will make effective management of large cities difficult and will present a challenge to the authority of central governments. The extent to which presence in cities of large numbers of people with varied cultural and economic backgrounds may facilitate politization by left-right groups should be assessed. (See also Section G C-4.5)
- EE. Manpower shortages: The implications of low population growth in many developed countries on the size, composition, and skill base of the military and civilian labor forces need to be assessed.

Cardinal Issue X: Implications of Changing Patterns in Agriculture and Health

In many countries, political stability will hinge on the government's ability to secure food supplies, spur agricultural development, and maintain humanitarian services such as health care.

- FF. Sporadic food crises are anticipated, especially in sub-Saharan Africa and in South and Southeast Asia. We need to examine the extent to which these will affect the economic and political stability of LDC governments.
- GG. Higher oil costs and slower growth will impinge on the ability of governments to improve services such as health care. The impact that this will have on the lower socioeconomic groupings and the implications for political unrest should be assessed.

Cardinal Issue XI: Technology and Information Transfers: Political, Commercial, and Strategic Implications

Technology and information have become important "commodities" in a global context; the acquisition and possession of both are key determinants in the economic, military, and political development of all nations. Technology and information transfers between nations—and barriers to that transfer—could seriously strain relations among OECD countries and will continue to be major agenda items in North-South discussions. Similarly transfers along the East-West axis will be a source of continuing tension between the United States and its military allies.

- HH. Political: The extent to which the LDC's increasing need for modern technology will result in greater political pressure being applied to the industrial nations needs to be explored.
- II. Commercial: Shifts in technological leadership within OECD, e.g. automotive and electronic technology, portend not only new trade leaders but also some changes in the flow of production technology to OPEC, Latin America, and the Asian nations. The results are likely to cause economic as well as political problems (e.g.; France-Brazil space). What are the implications for the US trade balance?
- JJ. Strategic: Many advanced civil technologies have military applications and are commercially available to both Community and LDC nations. We should examine the serious control problems and the implications for relative military balances of these transfers. In addition, the increasing regulation of commercial and media information flow by foreign governments poses intelligence as well as political and economic problems for the United States, which need to be explored.

I. Global Issues: Political Military

Cardinal Issue I: Nuclear Proliferation

- A. Evolution and spread of sensitive technology and materials:
 - 1. Spread of dual purpose technology to the LDCs.
- 2. Increasing ability of LDCs to develop indigenous technological capabilities in such sensitive fields as reprocessing and uranium enrichment.
- 3. Diversification of sources of nuclear technology, material, and equipment, including the entry of LDCs into the supplier ranks.
- 4. Development of deliverable weapons, including thermonuclear weapons, and of delivery systems.
- 5. Prospects for núclear sharing among LDCs, including the 'Muslim world'.
- 6. Development of necessary military and industrial infrastructure in LDCs for nuclear weapons deployment.
- B. Political factors and implications:
- 1. Impact of nuclear commerce controls and other nonproliferation initiatives on North-South and intra-OECD relations, and on the overall nonproliferation regime.
- 2. Impact of changing international political/military environment on nonproliferation regime and motivations of potential proliferators.
- 3. Potential impact of further proliferation on regional politics, relations among the nuclear weapons states, and the overall nonproliferation regime.

- 4. Ability of certain nations -- particularly those able to use the oil weapon -- to blackmail suppliers into transfering sensitive technology.
- C. Strengths and weaknesses of the nonproliferation regime:
- 1. Potential for the illicit acquisition of nuclear technology and materials by LDCs.
- 2. Prospects for acquisition of nuclear weapons or fissile material by subnational groups.
- 3. Impact of US nonproliferation efforts (both unilateral and multilateral) on:
 - a. Behavior of potential proliferators.
 - b. Behavior of suppliers.
 - c. US nuclear relations with other nations.
- 4. Impact of the NPT and IAWA in preventing proliferation; prospects for defections from these regimes.
- 5. Outlook for new or more effective supplier efforts -- either individually or cooperatively -- to prevent proliferation.

Cardinal Issues II: The Manufacture and Transfer of Conventional Weapons

- D. The intentions and capabilities of major and emerging arms exporters:
- 1. Causes and implications of trends in export policies and practices; factors (including shifts in market forces) that could cause marked discontinuities.
- 2. Capabilities of existing and projected industrial plant and technological base; extent and nature of R&D efforts.

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- 3. Impact of technology transfer and repatriation of expert personnel; impact of technological advance:
 - -- Extent to which technological sophistication of of weaponry available in the world market is rising.
 - -- Likelihood that rising costs and increasing difficulties of maintenance will result in increased demand for less sophisticated weaponry, enable more arms manufactures to enter the market, and drive some poorer arms purchasers out of the markets.
 - 4. Economic motives and constraints affecting arms exports.
- 5. Political motives and constraints (both domestic and foreign policy-related) affecting arms exports -- e.g., influence, prestige, and diplomatic linkages.
- 6. Prospects for--and political, economic, and military implications of--increased regional collaboration in the defense industry field (e.g., in NATO or in ASEAN).
- E. Factors affecting the demand for arms in the NATO Alliance area and Key Third World regions:
 - 1. Perceptions of Warsaw Pact threat.
 - 2. Interaction between cooperative and competitative efforts.
- 3. Impact of standardization, interoperability, rationalization.
- 4. Prospects for an orderly marketing method and export restraint.
 - 5. Political and security motives.
 - 6. Economic motives.
- 7. Terms of trade and the availability of new sources of financing.

F. Impact and Dimension of Arms Transfer

- 1. Implications of retransfers and arms brokering (official and private, open and covert).
- 2. Extent and implications of arms transfers to subnational groups.
- 3. Domestic impact (political and economic) of the transfer of sophisticated weaponry on the acquiring state; absorptive capacity; availability of foreign operators and technicians.
- 4. The impact of arms transfers on regional stability and military balances.
- 5. Impact of military sales and assistance on the foreign policy orientation and behavior of the recipient states.
- 6. The prospects for restraint or denial; implications of growth in ranks of alternative suppliers.

Cardinal Issue III: Arms Control and Disarmament

- G. The dynamics of the arms control process: general incentives and disincentives; parochial motives and inhibitions of significant and aspiring military powers; perspectives and behavior of the militarily weak.
- H. Impact of change in the international environment on East-West arms control negotiations, including SALT, MBFR, ASAT, CTB, and CW.
- I. Political, economic and military implication of growth and modernization of existing strategic and conventional forces.
- J. Political, economic, and technical implications of need to monitor and verify compliance with specific existing or projected arms control agreements.

- K. Spread of unconventional weapons capabilities, including BW and CW, to governments or nongovernmental groups not now possessing them.
 - 1. Who might use them and where.
 - 2. Implications for efforts to control such weapons.
- L. Influence of new developments in weapons technology on arms control (and vice versa):
- 1. Weapons employing exotic technologies (e.g., lasers or particle beams): incentives for controlling such weapons, and problems in verifying controls.
- 2. New weapons considered excessively injurious or indiscriminate in their effects; pressures for restricting their use.
- M. Significance of adherence or nonadherence of key countries to international agreements (e.g., Chinese and French attitudes toward a CTB agreement).
- N. Responses of nonaligned countries to a changed international environment and to setbacks or lack of progress in East-West arms control negotiations.
- 1. Extent of pressure for greater multilateral involvement in the negotiation of CW and CTB agreements.
- 2. Proposals for further alteration of multilateral disarmament machinery.
 - 3. Nonaligned responses to Soviet arms control initiatives.
- O. Regional arms control: proposals for, and prospects for agreement on:
 - 1. Confidence-building measures (especially in Europe).
- 2.. Zones of peace (especially Indian Ocean and Southeast Asia).

- 3. Nuclear-weapons-free zones (including Latin America, Africa, Middle East, and Nordic countries).
- 4. Control of theater nuclear forces in Europe (West European objectives, Soviet positions, possible forums for negotiation).
- P. Issues, problems and alignments at the Second UN Special Session on Disarmament.

Cardinal Issue IV: Projection of Force

- Q. Policies, doctrines, capabilities, and intentions of the leading military powers and industrialized countries with respect to military intervention:
 - 1. The USSR and its Warsaw Pact allies.
 - 2. The Peoples Republic of China.
 - 3. OECD countries.
- R. Military capabilities of—and countervailing political and economic constraints affecting—key LDCs with respect to:
- 1. Resisting or impeding intervention by extraregional powers.
- 2. Intervening militarily in either a neighboring or distant state.
- S. Factors likely to affect the future availability of necessary base access arrangements and overflight or transit clearances to:
 - 1. The US and its allies.
 - 2. The USSR and its allies.
 - 3. Other potential intervenors.

- T. Prospects for--and implications of--further military intervention by third countries acting in collaboration with (or as surrogates for) the USSR or other major powers:
- 1. Factors likely to promote or inhibit such cooperation and to define its limits.
- 2. Factors likely to influence foreign reactions to such cooperation.
- 3. Implications of such cooperation for US crisis management efforts.
- U. Political, economic, and military implications of greater outside power involvement in local conflicts.

Cardinal Issue V: Alliances and Other Cooperative Security Arrangements

- V. Role of alliances and other security groupings in planning and negotiating arms control.
- W. Likelihood for increase defense cooperation within existing regional organizations (e.g., ASEAN, ECOQAS, Andean Pact)
 - -- How changes in the international environment are affecting prospects for such cooperation.
 - -- Relation between military and nonmilitary cooperation.
- X. Prospects for emergence of new regional security arrangements (e.g., in the Persian Gulf).
- Y. Role of alliances (especially NATO and ANZUS) in meeting security threats outside of the main alliance area.
- Z. Relation between regional security organizations and outside powers.
- AA. Effects of alliance formation on regional stability.

Cardinal Issue VI: Military Involvement in Politics

BB. External factors likely to influence the political orientation and role of military personnel:

- 1. Impact of foreign training and assignments.
- 2. Impact of foreign military assistance programs.
- 3. Impact of foreign military presence.
- CC. Prospects for the establishment or continuation of direct or indirect military rule in key developing countries worldwide. (See also Section G E-2)
- DD. Implications of direct or indirect military rule for local and regional political stability.
- EE. Implications of direct or indirect military rule for other key global and regional problems and issues, including:
 - 1. Nuclear proliferation.
 - 2. Human rights.
 - 3. Conventional arms transfers.
 - 4. Arms control.
 - 5. Alliances and security cooperation arrangements.

Cardinal Issue VII: Outer Space Issues

- FF. Implications of new space technologies and applications (including the Space Shuttle):
- 1. Implications of competition and cooperation for relations among industrialized countries.
 - 2. Implications for North-South tensions.
 - Implications for East-West relations.
- 4. Implications for the economic development and political stability of LDCs.
- GG. Efforts to broaden international controls over the uses of outer space:

- 1. Factors shaping national positions on such controls (e.g., considerations of national sovereignty, security concerns, fear of foreign exploitation of natural resources).
- 2. Nature of controls currently being--or likely to be--considered.
- 3. Implications of these controls for current or projected national space programs:
 - -- Implications for NTM and other space-based intelligence collection activities.

Next 2 Page(s) In Document Exempt

K. EAST ASIA

The topics set forth below reflect the consensus of the East Asian Sub-Group as to the thematic, larger-dimensioned issues that should guide intelligence research on East Asia. Soviet policies and actions in the East Asian region were not separately addressed since they appear to be functions of overall Soviet policies and problems addressed in the Soviet Sub-Group. Similarly, is addressed primarily in terms of its East Asian dimension since that country's immensely important role in world economic and political issues is covered by the Global Issues: Political/Economic Sub-Group.

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All four issues focus on the analysis of political, economic, and social change in East Asia. The first two issues center on evolutionary and multivariable processes of change involving inadequately understood factors whose consequences for US policy are analytically difficult to forecast. The second two issues center on changes in two areas of East Asia where the prospects for abrupt change pose serious problems for U.S. policy in the Area.

Cardinal Issue 1: The Chinese Modernization Effort

- A. How permanent are the new economic, political, and social institutions being developed by the PRC as it continues to work out its plans for economic modernization?
- B. How are Chinese capabilities for acquiring and absorbing foreign technology changing and how will these factors shape PRC foreign policy toward the U.S., the U.S.S.R.,
- C. How are Chinese perceptions of their military modernization requirements changing? Will they continue to seek an improved deterrence posture or will they attempt to acquire a better capability for projecting military force outside their borders? What effects will changes in these perceptions have on internal resource allocation decisions and on PRC relations with the other Asian states as well as the great powers?

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ardinal Issue III:	The Two Koreas		

- G. What effects will the leadership succession process now underway in both Koreas have on tensions between the two states?
- H. What role are domestic economic problems -- inflation in the South and a diminished capability for drawing on foreign resources in the North -- playing in the succession process and how do these problems affect North and South Korean decisions on reunification policies?
- I. What effects will these factors have on the balance of military forces on the Peninsula and how will the relationships of both Koreas to the major Asian powers the USSR, China, and the US -- evolve?

Cardinal Issue IV: Indochina and Southeast Asia

J. How cohesive is the Vietnamese leadership and what are its capabilities for sustaining the present course in Kampuchea in the face of increasingly serious resource allocation problems?

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- K. What is the likelihood of a resurgence of the Vietnamese refugee problem and what are its implications for the policies of the US and other governments in the area?
- L. Is there any prospect for the establishment of viable governments in Kampuchea and Laos other than in the framework of a Vietnamese-led "Indochina Federation"?
- M. Will the ASEAN countries continue to react to these problems on an individual basis or is the ASEAN arrangement likely to take on a mutual security dimension?